

JPRS 79126

2 October 1981

South and East Asia Report

No. 1056



FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

2 October 1981

SOUTH AND EAST ASIA REPORT

No. 1056

CONTENTS

BANGLADESH

General Osmany Launches Election Campaign (Reazuddin Ahmed; THE BANGLADESH OBSERVER, 18 Aug 81).....	1
Awami League Plotting Against Osmany Alleged (THE BANGLADESH OBSERVER, 19 Aug 81).....	3
Osmany To Contest Polls as 'National Nominee' (Abu Sadeque; THE BANGLADESH OBSERVER, 28 Aug 81).....	4
Muktijoddah Sangsad Declares Support for Osmany (THE BANGLADESH TIMES, 25 Aug 81).....	6
National Awami Party Calls for Alliance Expansion (THE BANGLADESH TIMES, 28 Aug 81).....	8
National Front Condemns Awami League Tactics (THE BANGLADESH TIMES, 28 Aug 81).....	9
Awami League Leaders Speak at Dacca Meeting (THE BANGLADESH OBSERVER, 17 Aug 81).....	10
Islamic Democratic League Executive Meets (THE BANGLADESH OBSERVER, 17 Aug 81).....	12
Activities of Visiting Japanese MP Reported (THE BANGLADESH OBSERVER, 19 Aug 81).....	14
Bhashani NAP Convener Announces Candidacy (THE BANGLADESH OBSERVER, 20 Aug 81).....	15
Buddhist Association Gives Support to Sattar (THE BANGLADESH OBSERVER, 20 Aug 81).....	16

Planning Minister Addresses Cooperation Workshop (THE BANGLADESH OBSERVER, 22 Aug 81).....	17
Finance Minister Leaves for Paris Conference (THE BANGLADESH OBSERVER, 22 Aug 81).....	20
Journalists Agree on 11-Point Demand 'Charter' (THE BANGLADESH OBSERVER, 22 Aug 81).....	21
Communist Calls for Joint Opposition Nominee (THE BANGLADESH OBSERVER, 22 Aug 81).....	22
Acting President Declares Support for Namibia (THE BANGLADESH OBSERVER, 26 Aug 81).....	23
BNP Leaders Condemn Acts of Violence During Hartal (THE BANGLADESH TIMES, 27 Aug 81).....	25
Former Air Vice Marshal Tawab Granted Bail (THE BANGLADESH TIMES, 28 Aug 81).....	27
Agency Reports Finance Minister's Finland Visit (THE BANGLADESH OBSERVER, 28 Aug 81).....	28
Decentralization of Administration Continues (THE BANGLADESH OBSERVER, 9 Aug 81).....	29
Freedom Fighters' 6 August Press Conference Reported (THE BANGLADESH OBSERVER, 7 Aug 81).....	31
Portions of Assassination White Paper Released (THE BANGLADESH OBSERVER, 5-12, 14-16 Aug 81).....	32
Introduction	
Planning, Preparation	
Execution of Plot	
Post-Mutiny Activities	
Fate of Manzur	
Basis for Trial	
Prosecutor's Address	
Address Continues; Amendment	
Further Report on Address	
Continuation of Statement	
Killing Described	
Plotters Charged	
Press Note Responds to Freedom Fighters' Statement (THE BANGLADESH OBSERVER, 5 Aug 81).....	58
New High Commissioner to Zimbabwe Appointed (THE BANGLADESH OBSERVER, 28 Aug 81).....	60

Minister Describes 5-Year Plan for Irrigation (THE BANGLADESH OBSERVER, 28 Aug 81).....	61
Foreign Minister's Message of Support to Namibia (THE BANGLADESH TIMES, 27 Aug 81).....	63
Minister Speaks on Independence of Judiciary (THE BANGLADESH OBSERVER, 27 Aug 81).....	65
Freedom Fighters Demand Open Trial for Assassins (THE BANGLADESH OBSERVER, 26 Aug 81).....	66
Ganotantrik Standing Committee Session Reported (THE BANGLADESH TIMES, 22 Aug 81).....	67
Toaha Announces New Political Alliance Formed (THE BANGLADESH TIMES, 23 Aug 81).....	68
Retired Air Vice Marshal Tawab Arrested 22 August (THE BANGLADESH TIMES, 23 Aug 81).....	69
Home Minister Cautions Against Saboteurs (THE BANGLADESH OBSERVER, 20 Aug 81).....	72
Unit for Training Civil Services Officers Planned (THE BANGLADESH OBSERVER, 20 Aug 81).....	73
Editorial Lauds Aid to Chittagong Hill People (Editorial; THE BANGLADESH OBSERVER, 19 Aug 81).....	74
Home Minister Dismisses Spying Accusation (THE BANGLADESH OBSERVER, 18 Aug 81).....	75
Canada Agrees To Provide Wheat, Other Goods (THE BANGLADESH OBSERVER, 7 Aug 81).....	76
Agricultural Cooperation Pact Signed With FRG (THE BANGLADESH OBSERVER, 22 Aug 81).....	78
Self-Sufficiency in Cotton by End of 1985 (THE BANGLADESH OBSERVER, 20 Aug 81).....	79
'Intensive Search' for Minerals Reported (THE BANGLADESH OBSERVER, 20 Aug 81).....	80
Briefs	
BNP Executive Members	82
Newspaper Case Dismissed	82
New Swiss Ambassador	82
Eight-Party Meeting	82
Nurul Islam Dies	83

Chittagong Hills Welfare	83
Rice to Guinea	83
ISD Election Participation	83
Jute to Indonesia	83
French Credit Decision	84
Ambassador to Saudi Arabia	84
Support to Sattar	84
Opposition Unity Call	84
Solidarity With PLO	84
Dacca Vice Chancellor	85
Press Award Refused	85
Jamiatul Mudarreseen Conference	85
River-Crossing Exercise	85
Republican Party Meeting	86
New Presidential Candidate	86

INDIA

Former Ambassador Reviews Indo-Soviet Relations (THE TIMES OF INDIA, 15 Aug 81).....	87
Kerala Politicians Woo Cash Crop Growers (K. C. John; THE TIMES OF INDIA, 15 Aug 81).....	89
Need for Firm National Energy Policy Stressed (L. K. Sharma; THE TIMES OF INDIA, 15 Aug 81).....	91
Causes of Tripura Communal Riots Unalleviated (Kirit Bhaumik; THE TIMES OF INDIA, 24 Aug 81).....	93
Private Sector Plan Targets 'Unrealistic' (Shankar Jha; THE TIMES OF INDIA, 24 Aug 81).....	94

KAMPUCHEA

PRK Cultivation Progress, Obstacles Noted (SIANG PASASON, 28 Aug 81).....	96
--	----

PAKISTAN

Provincial Budgets for 1981-82 Announced (ECONOMIC REVIEW, Jul 81).....	97
Budget Unveils Prospects, Promises (Iqbal Haidari; ECONOMIC REVIEW, Jul 81).....	108
New Import Policy for 1981-82 Announced (ECONOMIC REVIEW, Jul 81).....	115
Economic Survey for 1980-81 Released (ECONOMIC REVIEW, Jul 81).....	118
'REVIEW' Comments on Budget (Editorial; ECONOMIC REVIEW, Jul 81).....	124

GENERAL OSMANY LAUNCHES ELECTION CAMPAIGN

Dacca THE BANGLADESH OBSERVER in English 18 Aug 81 p 1

[Article by Reazuddin Ahmed: "'72 Constitution Minus Baksal"]

[Text] Sylhet, Aug. 17:--General (Retd) M. A. G. Osmani, presidential nominee of the National Citizens' Committee launched his election campaign from here today strongly pleading for a constitutional change of government. He said that violence was the only alternative to the constitutional process.

Addressing a public meeting at the Registry maidan here he said that the government would have to shift the election date to November. "We shall compel the government to shift the election date," he said.

Gen (Retd) Osmani disagreed with the government contention that there would be constitutional crisis if the polls date was shifted to November.

He said if any candidate expires before the election the speaker can take over and there would be no constitutional crisis.

He strongly refuted the claim by the Acting President that he (Osmani) had talks with the Prime Minister regarding the shifting of the election date. He said it was not true that he had talks with any member of the government.

General (Retd) Osmani said if he was voted to power he would restore 1972 Constitution excepting the Fourth Amendment which introduced Baksal. He said the preamble of the Constitution shall contain the name of Allah the Almighty.

General Osmani strongly protested against the Indian naval presence at South Talpatty and demanded immediate withdrawal of Indian forces and said that the issue should be settled through discussion as per International Law. If the International Law decides about the ownership of the island in favour of India we shall have no objection to it. He said, "We are grateful to India for her help during our Liberation War. But we cannot surrender our sovereignty to any threat."

He said parliamentary system of government was the ideal way of restoring people's rights. The presidential system was an autocratic one which concentrates powers in the hand of one man. Parliamentary government is answerable to people and the government as well.

He was in favour of resolving all the problems peacefully and constitutionally.

He arrived here this morning by Surma Mail and addressed a number of public meetings on the way.

He was received by a large number of supporters at the Sylhet Station. He visited the mazars of Hazrat Shah Jalal (R.A.) and Hazrat, Shah Foram (R.A.) and offered fateha.

Mr Enayetullah Khan, Dr Zaf rullah Chowdhury, Dr Mafiz Chowdhury, Mr Mahmudur Rahman Manna, Mr Khalequz [words illegible] also addressed the meetings.

CSO: 4220/7699

AWAMI LEAGUE PLOTTING AGAINST OSMANY ALLEGED

Dacca THE BANGLADESH OBSERVER in English 19 Aug 81 p 1

[Text] Sylhet Aug. 18--Dr Jafarullah Choudhury, convener of the National Citizen's Committee disclosed at General (Rtd.) M.A.G. Osmani's public meeting here yesterday that the Awami League government in exile in 1971 wanted that the Pakistan Army should surrender to General Aurora of Indian Army on December 16 and not to General (Rtd) M.A.G. Osmani, the Commander-in-Chief of the Liberation Army.

Addressing the public meeting organised at the Registry Maidan to launch the election campaign of General Osmani, Dr Jafarullah Choudhury, who was the chief of the medical corps of the Liberation Army said that when everything was set for surrender of the vanquished Pakistan Army in Dacca to General Osmani, the directive came from the Awami League government asking General Osmani not to go to Dacca.

Dr Jafarullah Choudhury said that General Osmani then decided to go to the liberated area in Sylhet by a helicopter. Dr Jafarullah Choudhury and General Rab also accompanied the Commander-in-Chief of the Liberation Army he stated.

Dr Choudhury said that after flying for some time they heard a big bang and the pilot told them that the fuel tanker of the chopper had been hit. The pilot gave only ten minutes for the landing of the chopper and it landed safely. Dr Jafarullah Choudhury said that on December 16 all the aircrafts of Pakistan Army in Dacca were out of commission. He told the audience to guess who could hit the helicopter.

CSO: 4220/7701

OSMANY TO CONTEST POLLS AS 'NATIONAL NOMINEE'

Dacca THE BANGLADESH OBSERVER in English 28 Aug 81 pp 1, 12

[Article by Abu Sadeque]

[Text] Rangpur, Aug 27--General (Retired) M.A.G. Osmani said here today that he was contesting the ensuing presidential election as a "national nominee" for restoration of 1972 Constitution in to which envisages introduction of parliamentary form of government in the country in pursuance of the hopes and aspirations of the nation.

Addressing a public meeting at Rangpur Public Library ground this evening, the presidential candidate however said that if the presidential election date was not shifted to November as per his demand, he would not contest the election but he would start a countrywide mass movement which will oust the fascist government and establish democratic government duly elected by the people.

He said that the country was passing through a crucial period with the killing of President Ziaur Rahman who introduced a one man rule in the country causing a great vacuum in the political arena. It was a grave national crisis and therefore all political parties had given its support to the Government to overcome the crisis and continuation of constitutional process in the country. But the BNP Government what he claimed had betrayed the nation and expressed its determination to continue the one party rule introduced by late President Zia deviating from its commitment to the nation, he said.

General Osmani declared that he was contesting the election as a national candidate nominated by the Jatiya Nagarik Committee comprising intellectuals, scientists, journalists, physicians, Muktijoddhas and other sections of the people who want to uphold democracy, sovereignty and integrity of the country. The Committee will organise support from all Opposition parties for him to save the country from autocratic rule. He urged all Opposition parties to extend its support for putting up one candidate from Opposition parties to fight the presidential poll unitedly.

Referring to the present economic situation General Osmani said that the economic backbone of the people had been broken with the abnormal rise in prices of essential commodities which went out of reach of the common people. He claimed that all industries had been concentrated in Chittagong in the name of establishing "export processing zone" depriving the demand of less developed areas like Barisal and districts of northern region.

The Bangladesh taka had been devalued three times and export came down to nil despite the big talks of so-called development in this field. Loans and aid so far received by the Government spent in unproductive sectors and there was no production in mills and factories because of wrong planning and economic policies. He warned the Government not to use defence forces, government officials Gram Sarkar and Union Parishads for winning the election and said that people will unitedly resist if the party in power indulges in corruption in the election. During his one hour speech, General Osmani also spoke briefly on his election manifesto.

Mr Enayetullah Khan, a former Minister said that General Osmani who gave the leadership in the Liberation War as a Supreme Commander of the Freedom Fighters was the only man who could lead the nation at this crucial juncture. He urged the people to support him unitedly.

Dr Jafurullah Chowdhury Convener Jatiyo Nagorik Committee said that a great conspiracy was being hatched against the people of Bangladesh and wipe out the ideals and principles of our Liberation War which must be resisted at any cost.

Mr Khalequazzman Convener, Bangladesh Samajtantrik Dal (BSD) declared that his party had given support to General Osmani for launching a progressive democratic movement for the emancipation of the people.

Presided over by Mr Ahmed Jahurul Islam (Montoo) President BSD Rangpur branch, the meeting was also addressed among others, by Dr M. R. Khan, Mr Mahamudar Rahman (Manna), General Secretary DUCSU and Mr Azizur Rahman Sarkar ex-MPA.

CSO: 4220/7717

MUKTIJODDAH SANGSAD DECLARES SUPPORT FOR OSMANY

Dacca THE BANGLADESH TIMES in English 25 Aug 81 pp 1, 8

[Text] Bangladesh Mukti Joddah Sangsad on Monday announced its support to presidential candidate General (Retd) M.A.G. Osmany, former supreme commander of the Bangladesh liberation forces.

Announcing the support at a Press conference held at the central office of the Sangsad, Lt. Col (Retd.) Kazi Nuruzzaman, Chairman, Bangladesh Muktopoddah Sangsad, said that the freedom fighters should participate in the struggle launched by General Osmany to safeguard independence and sovereignty of the country and ensure economic emancipation of the people.

He called upon the freedom fighters and people at large to wage "constitutional war" against "Razakars Albadrs."

Lt Col Zaman alleged that since the emergence of Bangladesh in 1971, freedom fighters and objectives of the freedom struggle were being dishonoured at the hands of "a few conspirators in the interest of alien reactionaries.

He demanded of the government to fulfill General Osmany's demands for shifting of presidential polls date to November and ensuring a free and fair election.

Replying to a question Col Zaman said that freedom fighters would actively campaign in favour of General Osmany.

In reply to another question Col Zaman said that the present government which had failed to protect sovereignty of the country in Angarpota Dahagram and South Talpatty island, combat price hike of essentials and ensure safety of the people, could not be considered a pro-independence force.

Col Zaman said that the Sangsad was yet to recover from "the influence of the establishment." He, however, said that efforts were on to "get rid of the influence."

He said, "we want to take away power from Albadar-Razakars through election. But if obstacles are created to achieve that objective, we will decide our next course of action."

Replying to another question he said that Muktojoddh Sangsad wanted democracy. But that democracy 'will be with the patriots. Forces opposed to liberation movement will not be allowed to sail on in the name democracy.'

He alleged that the government was preparing a 'blue print' to oppress the freedom fighters.

Col. Zaman refused to comment when his attention was drawn to Dr Zafarullah Chowdhury's comment and subsequent clarification on the surrender of Pakistani army on December 16, 1971.

In reply to another question, he said that his organisation would continue to obstruct the holding of public meetings by Jamaat-e-Islami.

Mr Naim Jahangir, General Secretary of the Sangsad was also present at the press conference.

CSO: 4220/7711

NATIONAL AWAMI PARTY CALLS FOR ALLIANCE EXPANSION

Dacca THE BANGLADESH TIMES in English 28 Aug 81 pp 1, 8

[Text] The Harun-Pankaj faction of the Bangladesh National Awami Party (NAP), at a rally at the Baitul Mukarram square on Thursday called for greater unity of 'patriotic democratic progressive forces who took part in the War of Independence in 1971' and pleaded for the nomination of a common candidate to contest Mr Justice Abdus Sattar in the forthcoming Presidential election.

Presided over by Chowdhury Harun-ar-Rashid, the meeting was addressed by Mr Pankaj Bhattacharya, General Secretary, Mr Azizul Islam Khan, Vice-President and Maulana Ahmedur Rahman Azmi, Organising Secretary of the Party.

Shift Polls Date

Chowdhury Harun-ar-Rashid said that his party was not opposed to election but demanded that the date be shifted from October to November. He said that his party would create obstruction so that no candidate could submit nomination paper on September 7.

He said that his Party had been trying to create a strong opposition front with all the political parties or individuals who took part in the War of Independence. He, however, regretted that the response was not so much encouraging.

Mr Rashid pleaded that the 10-party opposition alliance should be more active and said that the General (Retd) M.A.G. Osmany and Dr Alim-Al-razee should be included into the alliance.

Chowdhury Harun-ar-Rashid said that all the former governments had failed to deliver goods to the people. 'Sheikh Mujibur Rahman was successful in highlighting the problems of the people but he did not have any plan to solve them. We did not support many policies of Sheikh Mujibur Rahman,' he said.

Afghan Revolution

Mr Pankaj Bhattacharya supported the 'revolution' in Afghanistan by the present Afghan Government of Babak Karmal. He, however, did not say anything about the Soviet intervention in that country.

NATIONAL FRONT CONDEMNS AWAMI LEAGUE TACTICS

Dacca THE BANGLADESH TIMES in English 28 Aug 81 p 1

[Text] Convenor of the National Front Ataur Rahman Khan on Thursday issued a statement condemning what he described as "terror" unleashed allegedly by Awami League on the occasion of its hartal on Wednesday, report ENA.

Mr Khan said, "The Awami League created terror through indiscriminate use of explosives in different parts of the country including the Dacca city on August 26 last on the pretext of observing hartal. This has endangered the political process in our country.

The way the Awami League and the ruling party engaged in violence on the streets or the question of observing and following the hartal has created concern among the countrymen. The peace-loving people are condemning these.

"The news that the Juba League members are manufacturing bombs in different parts of the country with a view to controlling policies through spreading terror countrywide has enraged the countrymen. The people in general consider these activities as deep-rooted conspiracy against our national independence and sovereignty and against democracy."

CSO: 4220/7718

AWAMI LEAGUE LEADERS SPEAK AT DACCA MEETING

Dacca THE BANGLADESH OBSERVER in English 17 Aug 81 pp 1, 12

[Text] Bangladesh Awami League (H) will observe countrywide hartal from 6 a.m. to 12 noon on August 27 to press home its 4-point demand.

Announcing this at a public meeting at Baitul Mukarram on Sunday, Sheikh Hasina, President of the Bangladesh Awami League (H) asked the Government to accept its demands to ensure free and fair presidential polls.

The meeting was organised by the Bangladesh Awami League(H) on the concluding day of its week-long programme drawn in observance of August 15. Presided over by Sheikh Hasina, the meeting was addressed among others, by Mr Abdur Razzak, General Secretary of the party, Dr Kamal Hossain, a member of the Presidium, Mr Tofael Ahmed, Organising Secretary, Mr Amir Hossain Amu, Joint Secretary, Mr Mohammad Hanif, President, Dacca City Awami League, and Mr Rafiquddin Bhuiya.

Sheikh Hasina said that Bangladesh Awami League believed in constitutional movement and transfer of power to the people's representatives. Demanding an open trial of the killers of president Ziaur Rahman, the Awami League chief urged the Government to hold trial of killings since August 15, 1975, including Sheikh Mujibur Rahman, and four other leaders killed in jail.

Criticising the Government for holding secret trial of the persons involved with the killing of President Ziaur Rahman, Sheikh Hasina alleged that freedom fighters were being eliminated in the name of trial.

Sheikh Hasina congratulated those who were imprisoned for taking up arms in protest against the August 15, 1975 changeover and crossed the border.

Dr Kamal Hossain, a former Foreign Minister, requested the Government of India to show honour to the 1974 land boundary agreement on different enclaves signed between the two governments. Without citing any specific failure of the Foreign Policy of the present Government, Dr Kamal Hossain criticised the Foreign Policy of the Government and termed it a total failure.

He said that all issues like South Talpatty, Farakka and Dahagram would be resolved when a people's Government would come to power.

Mr Abdur Razzak in his speech said that Awami League did not fear to face any election, and added it would go to the election only when its preconditions were accepted. He said that election during the rainy season (October) would be inconvenient for voters as well as campaigning. He urged the Government to enrol 60 lakh new voters and release the political prisoners before the election. He also demanded withdrawal of emergency to ensure free polls. He demanded equal publicity in all media including Radio and Television. He alleged that the Government managed newspapers instead of giving due coverage to them were making propaganda against them.

Speaking on the form of government, Mr Razzak said that presidential form of government cannot work in this country as it leads to dictatorship and one-rule. He said that the Bangladesh Awami League would establish parliamentary democracy.

Mr Razzak said that Messrs Golam Azam, Ataur Rahman Khan and Khan A. Sabur were united to undo our independence and sovereignty.

CSO: 4220/7697

ISLAMIC DEMOCRATIC LEAGUE EXECUTIVE MEETS

Dacca THE BANGLADESH OBSERVER in English 17 Aug 81 pp 1, 12

[Text] The Bangladesh Islamic Democratic League (IDL) on Sunday expressed its great concern at the shameful and provocative action of India on the sovereignty of Bangladesh, reports BSS.

The concluding meeting of the three-day executive committee meeting of IDL also expressed strong protest and deep resentment at the shameful Indian policy.

Presided over by Houlana Mohammad Abdur Rahim Chairman of the party, the meeting reviewed the India aggressive policy on Bangladesh.

The executive committee meeting of IDL observed that India has failed to maintain good neighbourly relations between the two countries, has been bittered by Indian aggression and massing of war ships at Talpatty, blockading at Dahagram and Angorporta enclaves, setting up camps at Berubari, massing troops at Bangladesh border, unilateral withdrawal of Ganges water at Farakka, infiltrating Indian trained people into Bangladesh and by the alarming comments of the Indian President on Bangladesh at his Independence day speech.

The meeting accused the Government for its alleged failure to safeguard the sovereignty of the country from Indian aggression due to its submissive policy.

The meeting also alleged that the Government had failed to raise the Indian aggressive policy at the international forums particularly at the forums of the Third World including the Muslim countries.

The IDL meeting declared that if the Government failed to safeguard the sovereignty of even an inch of the land the people would not forgive.

The meeting also urged the Government for further shifting the date of presidential election and to create a congenial atmosphere to participate in the election.

The Muktijoddah Auikya Front on Sunday urged the Indian President of his personal interference to withdraw the Indian warships from the territorial waters of Bangladesh and for the salvation of the Bangladeshi citizens under siege at Dahagram and Angorporta enclaves.

In a telegram Mr K. M. Abul Kalam Azad and Mr A. K. M. Salehuddin Kabir, Chairman and Acting Secretary General of the Front said that the freedom fighters and the people of Bangladesh thank India and her people as faithful friends and believe in co-existence with out interference into other country's affairs.

But the recent Indian aggression on South Talpatty Island and the blockade of Dahagram and Angorpota enclaves by Indian nationals are instances of no conscience and these have caused cracks in the friendship of both the countries, the telegram said.

The telegram also said "the heroic freedom fighters of Bangladesh shall vindicate Bangladesh independence and sovereignty and Bangladesh insignia to remain hoisted."

CSO: 4220/7697

ACTIVITIES OF VISITING JAPANESE MP REPORTED

Dacca THE BANGLADESH OBSERVER in English 19 Aug 81 p 1

[Text] Mr Takashi Hayakawa, MP and Chairman of Japan-Bangladesh Friendship Association, on Tuesday called on the Acting President, Mr Justice Abdus Sattar, at Bangabhaban in Dacca, reports BSS.

He stayed with the Acting President for some time.

The visiting Japanese leader also called on the Speaker, Mirza Golam Hafiz, Minister for Civil Aviation and Tourism, Mr K. M. Obaidur Rahman and the State Minister for Agriculture and Forest Mr Amirul Islam Kalam during the day.

Earlier in the morning, Mr Hayakawa laid floral wreaths at the Mazar of President Ziaur Rahman at Sher-e-Bangla Nagar.

He stood in silence for two minutes to show respect to the late President.

BSS adds: Mr K. M. Obaidur Rahman, Minister for Civil Aviation and Tourism, on Tuesday expressed the hope that there would be more cooperation in future between Bangladesh and Japan in both economic and cultural fields.

The Civil Aviation Minister was talking to Mr Takashi Hayakawa MP and Chairman of Japan-Bangladesh Friendship Association when he met him at his Secretariate chamber in Dacca on Tuesday morning.

Referring to Hotel Sonargaon, Mr Obaidur Rahman told Mr Hayakawa that this hotel stood as a monument of excellent bilateral relations and friendship between the two countries. Mr Rahman expressed his gratitude to Mr Hayakawa for his distinctive personal contribution towards construction of this hotel with Japanese cooperation and assistance.

Mr Hayakawa congratulated the Bangladesh Government for successful completion of the first five-star hotel in the country.

Mr Hayakawa MP and the Japanese Ambassador in Bangladesh were also present on the occasion.

The leader of Japanese good will mission and Chairman of Japan-Bangladesh Friendship Society, Mr Hayakawa MP, called on the State Minister for Agriculture and Forests Mr Amirul Islam Kalam in Dacca on Tuesday afternoon. Welcoming Mr Hayakawa the State Minister expressed his deep satisfaction over the continued cooperation of Japanese Government in our development efforts particularly in the field of food and agricultural production.

CSO: 4220/7701

BHASHANI NAP CONVENER ANNOUNCES CANDIDACY

Dacca THE BANGLADESH OBSERVER in English 20 Aug 81 pp 1, 12

[Text] Mrs Selina Majumder Convener of Bhashani NAP (Selina), on Wednesday announced her candidature for the forthcoming presidential election, reports BSS.

Disclosing her election ambitions at a Press conference in a city restaurant on Wednesday afternoon, she demanded shifting of the polls date to the third week of November, immediate withdrawal of the state of emergency and extending equal campaign opportunity to each candidate.

She also demanded of the government to allow Khondker Mushtaq Ahmed Major M.A. Jalil and other leaders convicted in the Martial Law courts to contest the election.

She said that India had started a dangerous game with the Bangladesh territorial areas of South Talpatty, Dahagram and Angarpota and suggested that these issues should be put up in international forums for permanent solution. She also demanded solution of Farakka problem.

Replying to another question Mrs Selina Majumder said that her party Bhashani NAP (Selina) was reactivated immediately after the death of President Ziaur Rahman. She regretted that a section of power mongers sabotaged the National Awami Party after the death of its founder Maulana Abdul Hamid Khan Bhashani.

If elected to power, Mrs Selina said she would further gear up the woman emancipation movement in the country, reserve the post of Vice-President for the woman by amending the Constitution and implement the Islamic University scheme at Santosh.

She would try her best to establish the rights of the Krishak Sramik (toiling masses) and meet their basic needs repeal the Fourth, Fifth and the Sixth amendments in the Constitution, withdraw precensorship and other related "Black Laws" on the Press.

Replying to a question she said that her party would establish socialism in the country for the economic emancipation of the people. Wife of an import-export businessman of Chittagong and mother of four children, she would chose "One child is enough" idea as the model for family planning movement.

BUDDHIST ASSOCIATION GIVES SUPPORT TO SATTAR

Dacca THE BANGLADESH OBSERVER in English 20 Aug 81 pp 1, 12

[Text] The Bangladesh Buddhists Association on Wednesday expressed its support to Acting President Mr Justice Abdus Sattar in the upcoming Presidential election reports BSS.

The Association expressed this gesture when a delegation of the association led by its Executive President Mr Hemendra Lala Chakma met the Acting President in Dacca at Bangabhaban.

The delegation of the Buddhist Association assured their support in electing Justice Sattar as the President in the coming election to carry forward the process of development initiated by late President Ziaur Rahman.

Our Staff Correspondent adds: Different organisations in separate statements on Wednesday extended support to Mr Justice Abdus Sattar, Bangladesh Nationalist Party (BNP) nominee, in the coming presidential election.

Mr Abdur Rouf and leaders of 42 organisational district units of Jatiyatabadi Jele Dal in a joint statement on Wednesday extended support to Justice Sattar. They called upon the fishermen of the country to get Justice Sattar elected in the President election.

The Bangladesh Buddhist Association extended Sattar in the ensuing Presidential election. A four-member delegation of the association met Acting President, Mr Justice Abdus Sattar, on Wednesday and expressed their support. The delegation also placed before the Acting President a memorandum says a Press release of the association.

Mr Mazharul Islam Convener of Jatiya Samabayee Ganosanghati Parishad in a statement on Wednesday expressed support to Mr Justice Abdus Staff. He alleged that a certain section was pursuing a course of action to foil the Presidential election by creating chaos and disorder in the country to satisfy their foreign mentors. He said that the people were aware of this move.

CSO: 4220/7702

PLANNING MINISTER ADDRESSES COOPERATION WORKSHOP

Dacca THE BANGLADESH OBSERVER in English 22 Aug 81 pp 1, 12

[Text] Dr Fasihuddin Mahtab, Minister for Planning stressed the need for increased flow of aid particularly the commodity aid to Bangladesh and in other Least Developed Countries (LDCs) to avert the grave situation which the LDC's would face in the 80s. The grave situation in the LDC's would affect the world political situation, he warned.

Delivering his presidential speech at the 9-day international workshop on cooperation among the developing countries on monetary and financial issues on Friday at a local hotel the Planning Minister said that the developed countries should increase the commodity aid to Bangladesh to compensate the food and fertilizer aid which had been reduced substantially following the increase in production. He regretted that the response from the developed countries in this regard has not been encouraging.

The workshop organised jointly by Bangladesh Institute of Development Studies and UNCTAD would deal with the monetary financial and liquidity problems in the region. Fifteen countries of the Asian region are attending the workshop. The countries are Bangladesh, China, India, Iran, Malaysia, Maldives, Papua New Guinea, Philippines, Republic of Korea, Samoa, Sri Lanka, Thailand, Tonga and Democratic Korea.

Mr S.A.M.S. Kibria, Executive Secretary of UN-ESCAP inaugurated the workshop while it was addressed by Dr S.A. Abbas, Chief, UNCTAD Research and Training Programme, Mr Jagadish Saigal of UNCTAD, Dr Monowar Hossain, Chairman BIDS read out the address of welcome while Mr K.M. Matin, Research Economist BIDS gave vote of thanks.

The Planning Minister Dr Fasihuddin Mahtab said that the projected rate during the 80's in the LDCs has been fixed at 7%. But the World Bank projection is much less, he informed.

Giving the economic picture of Bangladesh, Dr Mahtab said that the population of Bangladesh stands at over 90 million and 85 per cent of the people live below the poverty level and suffer from malnutrition. The population growth projection by the end of the century is 135 million out of which 48 million will remain unemployed. The balance of payment position is deteriorating continuously due to inflation in the world market. The current account deficit of Bangladesh has been estimated at two billion dollars for the current year. Against this, the Minister said, the aid commitment is so far only 1.7 billion dollars.

Dr Mahtab further stated that the purchasing power of the developing countries particularly the LDCs has been declining following the price escalation of the energy and raw materials. He disclosed that Bangladesh spent 70 per cent of her export earning last year for importing oil. The percentage might reach 100 per cent in near future.

The Planning Minister said that Bangladesh had made a breakthrough in food production. The production has been raised from 13.5 million tons to 15 million tons. The country's biggest fertilizer factory at Ashugani would go into production this year, he informed. The Planning Minister said the increase in food and fertilizer production would reduce the food and fertilizer aid to Bangladesh. The Minister told the audience that if the donor countries did not compensate the food and fertilizer aid in terms of commodity aid Bangladesh would face grave situation and would fall in "food trap."

Dr Fasihuddin Mahtab confidently said that Bangladesh can survive and develop her economy with her enormous potentialities with the self-help added by external cooperation. He said that many people say that the Second Five-Year Plan of Bangladesh had been too ambitious adding that "we have planned for a decent life, when we speak of development we speak of decent life of our people." He, however, regretted that Bangladesh was not getting enough cooperation to implement her programmes. Dr Mahtab said our Second Five-Year Plan is for meeting basic physiological needs and the plan is for our survival." He pleaded for co-operation among the developing countries to overcome this grave situation.

ESCAP Executive Secretary, Mr S.A.M.S. Kibria in his inaugural speech said that the work shop was being held at a time when despite the formal launching of the third United Nations international development decade, several outstanding issues of critical importance to the developing countries and general world concern relating to trade, finance and the international monetary system still remained unresolved. He was happy that efforts had been taken to resolve these issues through regional cooperation.

Mr Kibria said today the need for the developing countries to work together to bring re-ordered global system into being was greater than ever. He observed that the intra-regional & inter-regional cooperation and collaborative arrangement among the developing countries themselves can go a long way to supplementing the global system.

Mr Kibria disclosed that the mounting cost of energy, food and intermediate goods imports and the slow growth of exports kept widening the balance of payments gaps of the developing countries which in the case of the non-oil developing countries put by one estimate at a total of \$70 billion in 1980 with a further expected rise in 1981. He said that the Euro-credit market was a helpful instrument in facing the problems by developing countries. But the most of the developing countries face problems because of the lack of their credit worthiness. He suggested that a regional clearing union can help reducing the costs of settling inter-regional trade accounts which are settled through extra-regional currencies.

Dr Abbas said that the world economic system established under Havana Charter was for the developed north. South was not pictured at that time. Stressing the need for North-South dialogue, Dr Abbas said that the restructuring of the world economy was essential to strike balance. He also observed that the world monetary system was under pressure and the developing countries were suffering from energy and food crisis. He hoped that this type of workshop would help evolve a strategy to face the situation.

CSO: 4220/7705

FINANCE MINISTER LEAVES FOR PARIS CONFERENCE

Dacca THE BANGLADESH OBSERVER 'n English 22 Aug 81 pp 1, 12

[Text] The Finance Minister, Mr M. Saifur Rahman on Friday night expressed his firm conviction that the Least Developed Countries Conference in Paris would be successful, reports BSS.

Talking to newsmen prior to his departure for London enroute to Finland and Sweden, the Minister said "we will make every effort to make the conference a success." Referring to the preparatory meetings in Vienna, Geneva and Bangkok, the Finance Minister said that the developed countries were now very aware of our needs and requirements.

Mr Saifur Rahman is leading a 10 member Bangladesh delegation to the UN sponsored conference which will begin in Paris September 1.

Mr Saifur Rahman said that he would visit Finland to discuss matters relating to cooperation in the different Bangladesh projects. At present Finland was assisting Bangladesh in the projects such as Khulna News Print Mills and in rural electrification programmes in a smaller way.

The Minister will also visit Sweden before attending the Paris conference. In Sweden he will hold discussions for joint ventures. He said that he would also hold talks about half a million ton floating fertilizer factory where Swedish aid would come. The Swedish Government is also helping fruit processing plant at Chittagong.

After the Paris conference, the Minister will go to New York to attend the special session on Namibia beginning there from September (3). He will also deliver a speech as leader of the Bangladesh delegation at the session.

The Finance Minister is expected to return to Dacca on September 9.

CSO: 4220/7705

JOURNALISTS AGREE ON 11-POINT DEMAND 'CHARTER'

Dacca THE BANGLADESH OBSERVER in English 22 Aug 81 pp 1, 12

[Text] The adjourned meeting of the Executive Committee of the Dacca Union of Journalists held on Thursday finalised an 11-point charter of demands on the basis of BFUJ's eight-point demand and the demands placed by different units of DUJ reports BSS.

Presided over by DUJ President Mr Iqbal Sobhan Chowdhury the meeting decided to observe "Demand Day" and hold demonstration on September 5 to press home the 11-point charter of demand.

The 11-point demands are:

1. Full implementation of the Wage Board Award and the agreed minutes in all the newspapers and news agencies.
2. Implementation of the provisions of the newspaper conditions of Services Act 1974 like (A) letter of appointment for all; (B) leave rules; (C) free medical care for all; and (D) ten per cent provident fund and the (E) payment of salary by the first week of the month.
3. Night allowance at the rate of 50 per cent of basic salary for every night shift.
4. House rent ceiling for all.
5. Conveyance allowance for all working journalists.
6. Enhancement of travelling allowance for reporters and photographers.
7. Formation of Press Commission.
8. Separate Wage Board for journalists.
9. Repeal of all black laws standing in the way of freedom of the Press and amendment of BSS Ordinance.
10. Dissolution of the Management Board and formation of Unit Trusts for the Government controlled newspapers, and
11. Fair distribution of advertisements and reduction of prices of newsprint and other printing materials for proper and harmonious development of news-papers and news agencies.

COMMUNIST CALLS FOR JOINT OPPOSITION NOMINEE

Dacca THE BANGLADESH OBSERVER in English 22 Aug 81 pp 1, 12

[Text] Mr Moni Singh President of Communist Party of Bangladesh (CPB) on Friday called upon all the democratic and progressive opposition political parties in the country to jointly put up one presidential candidate in the ensuing polls to defeat the BNP nominee Mr Justice Abdus Sattar. The unity of all the democratic progressive and patriotic forces is essential today on the basis of broad political programmes to solve the problems of the people and to establish democracy and democratic rights of the people he added.

A public meeting organised by CPB at Baitul Mukarram, Mr Moni Singh also made a number of demands for participation in the election.

The demands include shifting of election date to the third week of November, release of all political prisoners and withdrawal of emergency rule.

Mr Mohammad Farhad General Secretary of the party and Mr Saifuddin Ahmed Manik were among others who addressed the meeting.

Mr Mohammad Farhad said, I did not say anything about launching of "Kabul style" revolution in Bangladesh. I had only supported revolution in Afghanistan." False propaganda and oppressive measures have been adopted against CPB to isolate it from the people he alleged. He said that the people of this country would launch revolution for their emancipation and CPB would join them in their struggle.

He said that revolution could not be imported and CPB believed in such revolution which provide security of basic needs. People will again fight against disparity in the society as they fought during the Liberation War, he said. He demanded trial of all killings including that of Sheikh Mujib and commutation of death sentence passed against 12 army personnel involved in the Chittagong mutiny and assassination of President Ziaur Rahman.

He said that his party believed in election and would fight for the establishment of Parliamentary democracy which was a pre-condition for the establishment of exploitation-free society.

CSO: 4220/7705

ACTING PRESIDENT DECLARES SUPPORT FOR NAMIBIA

Dacca THE BANGLADESH OBSERVER in English 26 Aug 81 p 1

[Text] Acting President Mr Justice Abdus Sattar on Tuesday reiterated Bangladesh's total political and moral commitment to the people of Namibia and to their true and authentic representative SWAPO in their just struggle for independence and national liberation reports BSS.

The day is not far off when struggle of the people of Namibia will be crowned with success, Justice Sattar said in a message on the eve of observance of Namibia Day today (Wednesday) at the call of the United Nations.

Following is the text of the message from Acting President on the occasion of Namibia Day:

"On the occasion of the observance of Namibia Day, I on behalf of the Government and the people of Bangladesh, pay homage to the memory of the countless patriots who made supreme sacrifice for the cause of the independence of Namibia. On this occasion it is also fitting to pay respect to those thousands of Namibians who remain incarcerated behind prison walls and countless others who suffer the indignity of living under the worst form of colonial domination, racial discrimination and apartheid.

The expectation raised before the Geneva-preimplementation talks that the people of Namibia would see the light of independence and sovereignty on the basis of genuine and unfettered elections to be held under the supervision of the United Nations have been belied. South Africa has again deliberately frustrated the efforts of the world community because the UN plan as envisaged in resolution 435 did not suit its nefarious design. The Government of Bangladesh views this development with deep concern the continued South African intransigence and defiance have again stymied the plan that the international community put forward in search of a possible solution of the Namibian problem.

The commitment of the United Nations to assist the people of Namibia in the attainment of their national sovereignty cannot be held hostage to the whims of the leaders of apartheid regime. All efforts must be made to secure for the struggling people of Southern Africa the fundamental rights as enshrined in the charter of United Nations and universal declaration of human rights.

Although racist regime of South Africa stands condemned in the eyes of whole world, violence and repression continue unabated. The heartless brutality of apartheid has not been stopped. The harassment, intimidation and subjugation continue to escalate through mass arrests, torture, detention and imprisonment of SWAPO officials and supporters. Extension of this policy has seen a systematic fragmentation of territory along ethnic and racial lines exemplified by policy of bantustanisation. There can be no doubt that policies of South African Government in Namibia and indeed in Southern Africa as a whole constitute a serious threat to international peace and security.

On this solemn day, I reiterate anew on behalf of Government and people of Bangladesh our total political and moral commitment to the people of Namibia and their true and authentic representative, SWAPO in their just struggle for independence and national liberation. The day is not far off when struggle of the people of Namibia will be crowned with success.

CSO: 4220/7712

BNP LEADERS CONDEMN ACTS OF VIOLENCE DURING HARTAL

Dacca THE BANGLADESH TIMES in English 27 Aug 81 pp 1, 8

[Text] A number of BNP leaders on Wednesday condemned and protested explosion of bombs and other destructive activities by 'a political party' in the name of hartal, reports BSS.

In a statement Mr Julmat Ali Khan, Begum Hamida Ali, Joint Secretaries General Shah Abdul Halim, Organising Secretary Mr Ahmed Ali MP, Mr Harunur Rashid, International Affairs Secretary and Mr Fazlur Rahman, Population Control Secretary of BNP strongly condemned the acts of violence.

The BNP leaders said that in the name of hartal a certain political party on Wednesday exploded bombs, damaged vehicles and shops, killed BNP workers and harassed peaceloving people and resorted to loot and arson.

Condemning the bomb explosions and lawlessness, the BNP leaders demanded exemplary punishment to all involved in manufacturing the bombs and the destructive activities at Dacca, Faridpur and other places of the country.

Mr Muhammad Anisuzzaman Khokon MP in a separate statement said that the people were fully conscious of the deep rooted conspiracy by the Awami League leaders to foil elections. He said that the Awami leadership was indulging in such acts being baffled by the fact that they stand no chance of winning the presidential polls.

Mr Iskandar Ali and Mr Nazrul Islam President and General Secretary of the labour front of BNP also condemned the acts of destruction and intimidation indulged in by Awami League.

They said that the conscious people of the country would resist all such anti-democratic activities.

Our staff reporter adds: Mr Abul Kashem and Mr Saifur Rahman, president and general secretary respectively, of Bangladesh Jatiyatabadi Jubo Dal have condemned the terrorism in the name of democracy and said that the people, particularly the youths, would foil any attempt to subvert country's independence and sovereignty.

In a joint statement to the Press on Wednesday the youth leaders said that hartal was a democratic right of the people but it did not mean threat, coercion and intimidation and destruction of national property.

They alleged that on Wednesday some unruly elements under the leadership of Mr Tofael Ahmed, Organising Secretary of the Awami League attacked the PWD office during office hours.

Criticising series of bomb blasts and attack of the workers at Tongi industrial area the youth leaders said that all these incidents were the manifestations of the fascist character of the Awami League.

BJSS

Kazi Siraj, President and Sheikh Sirajul Islam and Mr A.B.M. Shah Alam, Joint Secretaries of Bangladesh Jatiyatabadi Sechchasevak Sangathan, have condemned the killing of Mahbubur Rahman Benu by the "BKSALite miscreants" at Nawabpur on Wednesday.

In joint statement to the Press on Wednesday night, the BNP volunteer corps leaders said that the Awami League had been conspiring to kill the multi-party constitutional democracy in the country through violence and the hartal call was part of their machinations.

Demanding arrest and punishment of the killers, they said that the peace-loving people of Bangladesh would not allow the BKSALite conspiracy to go unchallenged.

CSO: 4220/7715

FORMER AIR VICE MARSHAL TAWAB GRANTED BAIL

Dacca THE BANGLADESH TIMES in English 28 Aug 81 pp 1, 8

[Text] Air Vice-Marshal (Retd) M. G. Tawab, former Chief of Staff of Bangladesh Air Force was enlarged on bail on Thursday by Mr Mahabubur Rahman, Special Judge, Court No 1, Dacca Division.

A bail application filed on behalf of Air Vice-Marshal M. G. Tawab was rejected on Saturday last by Senior Special Judge Dacca who transferred the case to the Court of Special Judge, Court No 1 for disposal.

It had been pointed by the lawyer for the petitioner that he attempted to return to Bangladesh on July 1, 1980 but refused entry. Thereafter a writ petition was filed on behalf of the petitioner and the High Court declared the action of the government to be without lawful authority.

The bail application was opposed by the anti-corruption department.

The judge while considering the bail said, once he was the chief of the Air Force of independent and sovereign Bangladesh. The respectability of such a person should also be taken into account.

His arrest, in spite of High Court judgment in his favour immediately after his arrival in the country did not look well, the judge said.

Giving his opinion on possible departure from the country the judge said that the government might also prevent him from leaving the country by seizing his passport.

The charges against Air Vice Marshal (Retd) M. G. Tawab were that while he was Deputy Chief Martial Law Administrator and in charge of the Ministry of Civil Aviation and Tourism he by corrupt or illegal means or otherwise abusing his official position as a public servant obtained pecuniary advantage to the tune of Taka 95,40,000 in the matter of purchasing or taking lease of a Boeing for the Bangladesh Biman. Mr Abdul Malek and Syed Azizul Huq, senior advocates of the Supreme Court moved the bail petition for the petitioner and Mr Surendra Chandra Ghosh DSP Anti-corruption appeared for the state.

CSO: 4220/7718

BANGLADESH

AGENCY REPORTS FINANCE MINISTER'S FINLAND VISIT

Dacca THE BANGLADESH OBSERVER in English 28 Aug 81 pp 1, 12

[Text] Finance Minister Mr M. Saifur Rahman who is now on a visit to Europe Tuesday ended a two-day official tour of Finland, according to a message received in Dacca on Thursday, reports BSS.

The Bangladesh Minister during his stay in Finland had meetings with Finnish Finance Minister Ahti Pekkala and Foreign Minister Mr Vagrynen and discussed matters of bilateral interests. The discussions covered bilateral economic cooperation, the outlook for the forthcoming LDC conference in Paris and also the Cancun Summit of the developed and developing countries.

The Finance Minister also called on the Finnish Prime Minister, Mr Kolvist, on August 25 last besides visiting different industrial institutions and holding meetings with the local foreign trade association.

The Bangladesh Finance Minister before leaving for Sweden on a similar visit addressed a Press conference in Helsinki.

Mr Rahman told the Press conference that Bangladesh and Finland had reached an understanding on opening cooperation between two countries on regular basis. He also disclosed that Finland had agreed to participate in the Bangladesh aid group as a full member. Both sides also agreed to review the cooperation between two countries on regular basis annually.

CSO: 4220/7717

DECENTRALIZATION OF ADMINISTRATION CONTINUES

Dacca THE BANGLADESH OBSERVER in English 9 Aug 81 p 1

[Text] Narasingdi, Aug 8--Establishment Minister Major-General (Retd) Majedul Haq today said that the decentralisation of administration initiated by Shaheed President Ziaur Rahman would continue for the well-being of the common people, reports BSS.

He reiterated the Government's determination of taking administration to the doorsteps of the people as visualised by the late leader.

Inaugurating the newly constructed sub-divisional administrative complex here this morning. General Haq said since the task of decentralisation was a massive one and that our fund was limited, the implementation of the programme would take some time.

The function was addressed, among others, by Food Minister Mr Abdul Momen Khan, Mr Mainuddin Bhuiyan and Shaheena Khanum, both Members of Parliament, Secretary, Ministry of Information and Broadcasting, Commissioner, Dacca, Division and Deputy Commissioner of Dacca district.

The Establishment Minister said that the colonial administration had long been obsolete but no government since the partition of India till President Zia's coming to power took any effective step to change the administration suiting the present-day need.

He lamented that if the earlier governments had taken any notable step in this direction, the process of administration would have become much smoother and quicker.

Explaining the structure of administration, the Establishment Minister said, administration should not end with rule, but to ensure measures for the overall development of the people.

He said the Government would make endeavour for total implementation of the decentralisation scheme.

Built at a cost of Taka 18 lakh the new semi-pucca administrative complexes, with corrugated roof will house most of the sub-divisional offices. The newly

constituted Marsingdi sub-division came into being in September 1977, General Haq, said henceforth all new administrative districts and sub-divisions would be created in a planned manner taking into consideration the socio-economic aspect of the locality.

Food Minister Mr Momen Khan said the present Government was committed to implement all the projects and pledges given by the late President Ziaur Rahman. He assured the gathering that if the present Government continues to stay in power, all his (Zia's) programmes would be fulfilled.

The Food Minister also called upon the people to help the Government stay in power to execute the ideals of the late President.

Praising the Government for its move to decentralise administration, Mr Mainuddin Bhuiyan called upon the authority to take steps for making the sub-division a fullfledged one.

CSO: 4220/7694

FREEDOM FIGHTERS' 6 AUGUST PRESS CONFERENCE REPORTED

Dacca THE BANGLADESH OBSERVER in English 7 Aug 81 p 1

[Text]

Three Freedom Fighters' organisations on Thursday termed the Press Note of the Government as "motivated and undemocratic" and demanded fresh open trial of the accused army personnel with an "impartial Judge", reports BSO.

The leaders of the three organisations said at a Press conference at the National Press Club that the Press Note of the Government which was issued against their joint statement on the trial procedures of the persons accused of the assassination of President Zia, has "agitated them".

They also said that the Government in its statement "threatened" the Freedom Fighters which was a complete denial of democratic rights and, on the other hand it also "distorted the contents of our statement while interpreting it in its own way".

The Press conference was addressed by the Chairman of the Bangladesh Mukti Joddha Sangsad, Lt. Col (Rtd) Kazi Nuruzzaman, Chairman of the Bangladesh Mukti Joddha Sanghati Parishad, Col (Rtd) Swakat Ali, MP and President of the Bangladesh Mukti Joddha Sangram Parishad and Major (Rtd) Ziauddin.

Terming the August 4 Press Note as "undesirable" the three leaders reiterated their demand of providing the accused persons with sufficient self defense and scope for enlisting civilian lawyers. Otherwise they said in a written statement that the cameras trial of the Field Court

Court Martial headed by a "person known for his feelings against Freedom Fighters" held inside Chittagong Jail would be regarded as a "black chapter in the history of trial".

Criticising the contents of the Press Note the Freedom Fighter leaders, citing some relevant army acts said that the formation of a Field General Court Martial for trying the accused army personnel was undesirable. It should have been held openly under a civilian tribunal so that people of the country could know the incident in which an elected President of the country was assassinated they added.

They reiterated that the accused persons were not given opportunity to defend themselves and they were not given proper "defendents officers" from the army and civilian "legal advisers" which were the pre-conditions of the relevant army acts.

Moreover they alleged the Government had closed the doors of unearthing any "conspiracy and the involvement of any foreign power or their agents" behind the assassination of late President Zia. They said we always condemn the brutal killing of President Zia but simultaneously we want justice and punishment of the real killers not the innocents.

The three leaders who earlier claimed that they did not belong to any political party also alleged that many Freedom Fighter army officers were "removed or suspended" from their jobs during the cameras trial. These Freedom

Fighter officers were not involved in any way with the killing they stressed.

The joint Press statement which was read out by Major (Rtd) Ziauddin also pointed out that as leaders of the Freedom Fighters they would continue to protest these "undemocratic and unjust acts" of the Government and called upon the democratic minded people of the country to extend their solidarity with them.

Replying to questions Col. (Rtd) Shahzad said that three Freedom Fighter organisations are discussing for forming a joint front. He also refuted Prime Minister Shah Aziz's statement by saying that it was Shah Aziz who was ennobled as a civilian lawyer in a Field General Court Martial of an army officer named Lufti Kamal few years back. He also said that Field General Court Martial according to army acts were held at such a time when the country was at war or there was no facility for several court martial.

Replying to questions Lt. Col (Rtd) Zaman said that they also want the trial of the killers of General Muhib (the then President of the Republic in a same civil tribunal). He said the President of a country is an "asset" of the people and demanded the trial of the killers of Siraj Sikder and other people also.

Major (Rtd) Ziauddin said that the Freedom Fighters are always with the people and urged the political parties to support their demands.

PORTIONS OF ASSASSINATION WHITE PAPER RELEASED

Introduction

Dacca THE BANGLADESH OBSERVER in English 5 Aug 81 pp 1, 8

[Text] The government has issued a White Paper on the abortive mutiny in Chittagong on May 20, 1981 in which the late President Ziaur Rahman was assassinated. The first part of the White Paper issued on Tuesday deals with the personnel mobilisation and machinations of the leader of the abortive mutiny Major General M.A. Mannur.

In the introduction of the White Paper it has been said the White Paper contains a detailed account of the trial proceedings of the accused persons who took part in staging the mutiny and killing of the former President. It is by all counts an infamous act and will be considered as one of the worst crime in history.

The contents of the White Paper will be published in full in the national Press part by part.

Following is the full text of the first instalment of the White Paper issued by the government on Tuesday.

INTRODUCTION

1. This White Paper provides a full report of the abortive mutiny led by BA-103 Major General M.Abdul Mannur BU and his accomplices which resulted in the gruesome assassination of Hon'ble President Ziaur Rahman, BU at Chittagong on night 20/21 May 1981. It also includes a detailed account of the trial proceedings of the accused persons who took part in staging the mutiny and killing of the Hon'ble President. It is by all counts an infamous act and will be considered as one of the worst crimes in history.

2. The heinous crime of a handful of miscreants leading to the abortive mutiny and the assassination of the President spread pall of gloom through-

out the length and breadth of the country. It also caused not a small stir in the international world. It is a cruel irony of fate that the visionary and architect of modern Bangladesh left to the assassin but less at a time when the country is on the eve of reaping the practical results of his hard dedicated and relentless toil for all reliance and economic growth at home and rising prestige abroad. There was a spontaneous outburst of indignation, this dastardly act and a persistent demand from all sections of the public for an open trial of the accused persons. The Government from time to time clarified the position by saying that for reasons of security and discipline of the armed forces and for reasons of the fact that the perpetrators of the crime are all army personnel who are subjected to Army Act, it was only appropriate to try them by a Court Martial. The government, however, issued a White Paper on enquiry report and the proceedings of the trial. This White Paper is the outcome of that assurance and an attempt to assure the general public of the events and circumstances which led to the tragic incident.

CHAPTER—I
BACKGROUND

BA-103 Major General M.Abdul Mannur, BU was posted to 24 Infantry Division as General Officer Commanding and assumed Command on 24 November 1977. The posting was a follow up of a general reshuffle in the higher echelons of Command following the abortive uprising by some elements of misguided Air Force personnel on 27 October 77. Major General Mannur who was then the Chief of the General Staff at

the Army Headquarters and enjoyed considerable power in his re-organisation of the Army did not appreciate his removal from the seat of decision making. He however, assumed Command of 24 Infantry Division at Chittagong on 24 November 1977. At the time of his taking over Command there were only three Infantry Brigades. This force however was augmented to four Infantry Brigades with the additional raising of another Jhalawar Brigade. The number of Infantry Battalions were also raised accordingly. The last of these two battalions were moved to Chittagong as late as 30 Dec 80. These raisings became necessary with the increase of insurgency activities in Chittagong Hill Tracts and also on the persistent instance by the General Officer Commanding to sustain the force level in Chittagong Area. Major General Mannur often used to boast of Commanding 103 of the Army and having under him the most well trained brigades commanders and Staff Officers. The true line of concentration of power became only clear when the rebel Commander held the nation at ransom for 48 hours during the abortive mutiny.

The Section Major General M.Abdul Mannur was a man with ambition. He took part in the Liberation War of 1971 as Sector Commander, No-1 Sector (Jessore Area) having fled with his family from Sialkot in Pakistan during the early part of the War. He was not only ambitious but jealous and extremely critical of most of the senior officers who were set over him. He did not even spare the late President of very taunting remarks. During the short speech while addressing officers and troops his true colour became clear.

After assuming Command of

the 24 Infantry Division he initially devoted time and energy in the purposeful resolution of the insurgency problem but gradually and calculatively his attention was diverted to bigger things he had in mind. That is his ambition to remove the elected President of the country by any means possible fair or foul, and install a Martial Law government for a period of at least 3 years, where he could rule supreme and remove all the pseudo ill. He was seized with the phobia that the country must be ruled by the Freedom Fighters as President Zia was not doing enough to uphold the cause of the liberators. In motivating the officers of his garrison in launching them into this heinous crime his slogan used this ruse to take up arms on that fateful night of 29-30 May 81.

Major General Mansur moved to strike very calculatively but not so cautiously as would be evident from the following developments:—

(1) His first move was to augment the force level as stated earlier.

(2) He then got officers of his own choice posted in key assignments. He could not care about their professional capability as long they were blindly loyal to him and to his philosophy. Refusal by Army Headquarters was frowned on by him on the pretext that Army Headquarters was not assisting him in subjugating the insurgency in the Hill Tracts but was hindering his operational plans.

(3) He virtually wanted to take over control of the Army Headquarters establishments at Chittagong like the Bangladesh Military Academy, The Artillery Centre and School, The Special Warfare School, 18 Engineers Construction Battalion and other establishments. There was constant reflecting on the command and control of these establishments as the Army Headquarters orders were very clear on the subject but Major General Mansur as Area Commander could not just stand that the arrangements be other than to his advantage.

(4) He arranged for special allocation of funds for construction work but the manner he adopted to get the special project going was beyond the rules and regulations. He cashed on his bravado and efficiency every time he opened a new building or barrack

and inscribed his name on a marble plaque. His motivation there was "Look here. I have done it better than your Army Headquarter can do it."

(5) He started to avail of every opportunity to speak ill of the Army Headquarters policy senior officers of the Army, corruption in the country and a general theme that nothing is going right in the country. Of late these addresses to the troops and officers became more frequent and more vocal.

(6) For reporting on his foul and flagitious activities the detachment Commander of Director General of Forces Intelligence was barred from entering into Chittagong Command. Meanwhile the Divisional Field Intelligence Unit was completely tasked to assist the General Officer Commanding in his vicious plan.

(7) Major General Mansur by mid 1980 started to resist the approved Government policies of resettlement scheme. His staff and unit Commanders were indifferent to the scheme and barely gave a helping hand to the civil administration. There was fundamental differences over the policies Major General Mansur wished to adopt in Hill Tracts and what was the Government directive. By late 1980 the Army casualty figures rose rapidly. To mention an instance of infil. rence Brigadier Mohsin Uddin Ahmed Commander 68 Infantry Brigade did not visit his main operational Headquarters at Bandarban for 3 months then suddenly he visited on 28 May to warn some elements of 1 E Bengal to be prepared to move to Kalurghat Bridge on the fateful night of 29-30 May covertly for taking part in the mutiny.

Preparation

Preparation. By the end of 1980, Maj Gen. Mansur's attitude towards the Non-Bengali Presidents and the Chief of Army staff was apathetic and disrespectful. His conduct during the passing out parade dinner on 19 Dec 1980 is a case in point. The plot for a possible military conspiracy was conceived by two architects under the direct guidance of Maj Gen. Mansur. They were Lt Col Monur Rahman GSO-1(CD) and Lt Col Md.

boobur Rahman CO 21 E Ben 24 orphew of the General. In assistance to the implementation of the conspiracy were Lt Col Dilwar Hussain and Maj Khaled BM 60 Inf 3ds. It was thought possible that like the Shau Bahini in Hill Tracts, Junior Officers JCOs and QRs would be won over by telling them of the Government's failure to check corruption by Army and civilians, stop inflation, check deteriorating law and order situation and malpractices by the ruling BNP members.

Lt Col Mehbub talked w/ Lt Col Dilwar sometime in the early part of 1980 about procuring a printing press, for printing leaflets containing their views and ideas highlighting the malfunctioning of the Government. In the month of July 1980 Lt Col Dilwar suggested to the GOC as per instruction of Lt Col Moti on the following lines:—

(1) Many officers should be able to call on the GOC without any official formalities.

(2) Officers/JCOs should be invited by the GOC on specific occasions.

(3) Brigade Commanders and senior officers should be entertained by the GOC in his house for tea playing cards thereby gaining their confidence.

Meanwhile Maj Gen Mansur took every opportunity to address all-ranks and continued to motivate officers and troops as per the master plan. In the last week of November 1980 Maj Gen Mansur addressed all available officers JCOs and Officers of Chittagong Area Officers from Chittagong Hill Tracts also joined in the address. The GOC talked at length about his achievements over the past 3 years the day being celebrated as the 3rd anniversary of his assumption of office as GOC. After the general address he retained officers of the rank of Maj and above and talked to them critically of all the wrong doing of the Government and the Army. Some Junior officers asked him offending questions e.g. that he should resign if he was impotent and incapable of taking any action.

Earlier Phase of Mutiny. Toward the end of Feb '81 Lt Col Dilwar was apprised by Lt Col Moti about two definite plans of mutiny. These were:

(1) PLAN OF 'A' by Lt.C. 'u. A' passing out parade of the BMA cadets was due on 20 Dec. but President and other senior Armed Forces officials were also to attend. It was decided that GOC would host a dinner on 19 Dec. 1980 in the EBRC Mess where all VIPs including the President would be invited. They were all to be hauled up there. Alternatively, if the President stayed on at the Circuit House then 2 groups were to raid the Circuit House and EBRC Officer's Mess to pull all of them to EBRC parade ground. Necessary move order was issued to 10 East Bengal Regiment to move to Chittagong Cantonment by 18 December 1980. But the mission failed as 10 East Bengal Regiment could not be withdrawn from the operational area in Chittagong Hill Tracts at such a short notice.

(2) PLAN DURING EXERCISE IRONSHIELD. During the exercise an amphibious landing was planned at Cox's Bazar which was to be witnessed by the President and

Services Chiefs and other senior officers. During this 27 East Bengal Regiment of 69 Infantry Brigade of Brigadier Moinul Uddin was to take part. The plan was to lift the President and other senior officers to EBRC parade ground and forcibly ask the President to meet their demands, which were:—

(a) CAS, GOC 9 Infantry Division and some other senior officers of the Army to be dismissed.

(b) Forming of a Revolutionary Council and suspension of the constitution.

(c) No election for 3 years and no political activities.

(d) Promotion of only efficient people to the higher ranks.

(e) Improvements of law and order situation.

In continuation of his plan to motivate and influence the officers and JCOs/OR he kept on addressing them at every opportunity. The last such address he delivered was on 23 May 1981 at the Hathazari

Long Range where Divisional Anti-Tank Cadre was running. Instead of talking of their performance he dealt at length on aspects which were political and objectionable. To develop connection with civil [unclear] because the Chief Patron of an organisation named "Trivedi Setters." President of this organisation was one Mr. Ziaur Rahman, a student of Chittagong University. Major General Mianur chaired the opening seminar on 10 May 1981 which was on the "Role of Intellectuals in Bangladesh." This was also attended by most of the senior officers of the station on the desire of the GOC.

A perusal of the seminar papers would reveal that the trend of the subject matter is biased and is aimed at reflecting the thoughts of the General Officer Commanding on the state of administration and the Government. Mysterious Mr. Ziaur Rahman met the rebel General Officer Commanding on 29 May 1981 at about 8 p.m. in the General Officer's Commanding's Office.

Planning, Preparation

Dacca THE BANGLADESH OBSERVER in English 6 Aug 81 pp 1, 8

[Text]

The Second Chapter of the White Paper on the assassination of President Ziaur Rahman and the activities of the mutineers involved in the abortive coup was issued to the Press on Wednesday, reports BSS.

The Second Chapter of the White Paper purported the key role played by Late Major General M. Abul Manzur and his trusted associates in scheming the plot to kill the President and the measures to implement it.

It dwelt on the activities of Brigadier Moinul, Col. Nawash, Col. Rashid, Lt. Col. Mahbubur Rahman, Lt. Col. Motiur Rahman, Lt. Col. Dilwar, and other officers at various well planned stages to execute the plot.

The White Paper also exposed the role of Lt. Col. Mahbubur Rahman, Personal Staff of the President in the assassination of President Ziaur Rah-

man. On the fateful night of June 13 Lt. Col. Mahbubur Rahman ordered the removal of the police persons on duty from the first floor of the Circuit House to ensure the success of the plot against the Late President, the White Paper said.

The Second Chapter of the White Paper noted as to how a massive rumour was built up by the plotters during the last week of May this year to the effect that there existed a plan to eliminate all Freedom Fighters, particularly in Chittagong by repatriated officers. The main purpose of the rumour was to motivate the freedom fighter officers of Army and erstwhile Jatiya Rakhi Bahini on a common platform to fulfil the design of the mutineers is added.

It further pointed out that posting of Major General Mianur to Defence Services

Command and Staff College at Mirpur was taken up as a pretext to add fuel to the fire of various rumours already raging at Chittagong Cantonment. The mutineers further exploited it saying that this was the last blow to the freedom fighters interest and that they would be systematically sorted out after removing the last of freedom fighters General Officer Commanding from the command.

The White Paper recalled that before taking up appointment as General Officer Commanding of 24 Infantry Division at Chittagong in 1977, Major General Mianur expressed his desire to the Chief of the Army Staff for his posting as Commandant Defence Services Command and Staff College.

The following is the second part of the text of the first installment of the White Paper

issued by the government on the abortive mutiny in Chittagong on May 30 1981.

CHAPTER-II THE PLANNING AND PREPARATION OF THE MUTINY

The incident of the assassination of President Ziaur Rahman is the culmination of a well thought out process of mutiny engineered at Headquarters 24 Infantry Division by its Commander and a few of his trusted associates i.e. Brigadier Mohsin Colonel Nawazuddin, Colonel Rashid Lieutenant Colonel Mehboubur Rahman Lieutenant Colonel Motiur Rahman and Lieutenant Colonel Dilawar. After the plot was conceived by its architects a series of activities have gone into facilitate its implementation. Various steps and administrative actions taken by late Major General M. Abul Manna before or on the eve of the incident when viewed as a whole give a coherent picture as to how things were developing towards an ominous end. The deliberate preparations in various phases that made the state ready for action are summarised in subsequent paragraphs.

Troops Disposition in the Cantonment Prior to the Incident. An examination on the location of various units along with their strength shows the following peculiar features of the dispositions—

- (1) A sizable troops numbering almost 4000 strength were kept in Chittagong Garrison on some pretext or the other.
- (2) Rear parties of Infantry Battalions as strong as a company (in certain cases) were stationed in Chittagong whereas all the Battalions rears were supposed to be located in Chittagong Hill Tracts itself.
- (3) Some Infantry Battalions commanded by Freedom Fighters Commanding officers on which the mutineers depended most brought a sizeable number of persons at Chittagong Cantonment in the name of assault course competitors and other grounds. A strong contingent from special warfare school was also brought in the name of training of newly arrived battalions.
- (4) Entire Battalion of 6 East Bengal Regiment came to Chittagong in connection

with Exercise Ironshield. Later only 2 X companies were sent back to Chittagong Hill Tracts. Rest of the battalions remained in Chittagong till the mutiny on various pretences. The Battalion was given the task of organising Divisional Mortar and Anti Tank cadre at Hathazari range. They were brought from Hathazari range on 29 May 81 by specially allowing transport although it was a vehicle lay off day being a Friday.

Preponderance of Freedom Fighter Officers in Chittagong Area. The concentration of Freedom Fighters officers in 24 Infantry Division was the result of a long throughout process and was achieved over a period of time. Most of the important staff appointments were held by the Freedom Fighters officers. It was also ensured that either Commanding Officer or Second in Command or both of most of the Infantry Battalions in 24 Infantry Division were Freedom Fighters officers. Three out of four of his Brigade Commanders were his trusted Freedom Fighters. A large proportion of officers who stayed back in Chittagong Cantonment on the eve of the incident were either Freedom Fighters or officers of the choice of mutiny leaders. It was done so presumably to exploit the issue of rift between Freedom Fighters and non-Freedom Fighters in favour of the mutiny and to employ them as an undivided force to execute the plan of mutiny.

Liaison with Officers in other Stations. There are enough indications that efforts were made to liaise with officers at other stations through officers (later found to be pro-mutineers) by sending them on leave throughout the month of May 81. There was also instances of officer having pro-mutiny leaning (from records and activities) visiting Chittagong prior to the incident. A leave state showing 24 Infantry Division officers visiting others stations particularly Dacca shows a striking number of Freedom Fighters officers visiting Dacca almost at one time. It is presumed that most of the officers

made contacts with sympathisers during their stay in Dacca. A part from those on leave some officers also made telephone contact with like minded officers in Dacca and elsewhere. For example Major Qayyum contacted an officer of Army Headquarters on 28 May to communicate about the dangers to Freedom Fighters and advised (the officers) to go on leave.

Some officers like Ex-major Moin of S1&T and Major Zahirul Haque of 37 East Bengal Regiment visited Chittagong Cantonment before and during the mutiny. The last two officers went as far asabetting the mutiny in which they performed some assigned tasks also. Major Zahir worked as courier of Late Major General Monjur while Major Moin illegally took over the Command rear 17 East Bengal Regiment in Chittagong Cantonment.

Role of Lieutenant Colonel Mahfuzur Rahman—Personal Staff of President. Lieutenant Colonel Motiur Rahman had close relationship with Lieutenant Colonel Mahfuzur Rahman, Personal Staff of the President. Lieutenant Colonel Motiur Rahman used to visit Lieutenant Colonel Mahfuzur Rahman as and when the former visited Dacca either on duty or on leave. He (Lieutenant Colonel Moti) visited Lieutenant Colonel Mahfuz in the later's office at C-in-C's Secretariate some time in the middle of May 81 when he (Lieutenant Colonel Moti) came to appear in an interview for a foreign course. During his visit they discussed about the President's visit of Chittagong and also about President's negligent attitude towards the Freedom Fighters. There they also discussed the plan wherein the President was to be kept as hostage or killed if their demands were not fulfilled. Lieutenant Colonel Motiur Rahman sought the assistance of Lieutenant Colonel Mahfuzur Rahman in the execution of the plan who gave his consent to the same on 29 May 81. Lieutenant Colonel Mahfuz was contacted by Lieutenant Colonel Motiur Rahman on telephone immediately on his arrival with the President at Chittagong Circuit House. When he was told that the

President will be lifted or killed that night (30 May 81) and sought his assistance he agreed and assured that the first party will be received by him in the Circuit House. To ensure the success of this plan he later on ordered the police persons on duty at the first floor to leave the place of duty.

Concentration of Pro-mutineers Officers in Chittagong Cantonment. Captain to Major promotion examination (Practical) was held in Chittagong Cantonment from 23 to 26 May 1981 and on this occasion all affected Infantry Officers of 24 Infantry Division gathered at Chittagong Cantonment. Most of these officers came from their forward post in Chittagong Hill Tracts and were supposed to go back on expiry of the examination. But they were held back in the Cantonment on the pretext of an unscheduled training Cadre hurriedly arranged for them i.e. Preventive Maintenance Cadre to be held from 27 May 81. Later it was found that most of the officers who took part in the assault at Circuit House were drawn from this group of officers.

Taking out Supposedly Anti-Mutineers from the Cantonment Alongside the deliberate concentration of troops and officers expected by the mutineers to be loyal to them careful efforts were made to keep away the troops and officers who would be likely to oppose the mutineers. One such conspicuous attempt was to stop 34 East Bengal Regiment (One of the battalions with full strength present in the Cantonment) to come back to the Cantonment even on expiry of their time limit at Hathazair Range. The battalion was even barred from carrying out a search and cordon exercise in the vicinity of the Cantonment planned earlier by its Commanding Officer. In most cases Commanding Officers of the battalions were kept away deep in the hill tracts engaged in Counter Insurgency Operations.

Rumours Relative to Elimination of Freedom Fighters. A massive rumour was built up during the last week of May 81 to the effect that there existed a plan to eliminate all Freedom Fighters particularly in Chittagong by repatriated officers. The main architect of

this rumour Lieutenant Colonel Matiur Rahman and Major Qayyaum, claimed to have discovered the blue print of such a conspiracy hatched at a very high level in the army. The rumour was fanned by them over days to frighten and finally to bring the Freedom Fighters officers in a frenzy to either counter it or accept it lying down. The main purpose of the rumour was to motivate the Freedom Fighters officers both of Army and erstwhile Jatiya Rakhi Bahini who were in greater number in that formation on a common platform to fulfil the design of the mutineers. Wherever possible they utilised this occasion to bring the participants in their fold. The rumour thus floated gained its optimum intensity by 28 May till the end of the incident.

Capitalisation of General Officer Commanding's Posting Order. The General Officer Commanding was posted out on completion of normal tenure of his command. He was appointed as Commandant of Defence Services Command and Staff College at Murpur, Dacca, which is a coveted appointment and a post tenable by a Major General. It may be mentioned here that before taking up appointment as General Officer Commanding of 24 Infantry Division at Chittagong in 1971 Major General Mamtur expressed his desire to Chief of Army Staff for his posting as Commandant Defence Services Command and Staff College. But surprisingly this posting of Major General Mamtur to Defence Services Command and Staff College now was taken up as a pretext to add fuel to the fire of various rumours already raging at Chittagong Cantonment. The mutineers for they exploited it telling that this was the last blow to the Freedom Fighters interest. They argued that Freedom Fighters would now be systematically sorted out after removing the last of Free-lion Fighters General Officer Commanding from the command. It seemed to work well and concerned officers aptly accepted this argument and took this posting order as an ill motivated gross injustice to the late General Officer Commanding, considered most capable by the mutineers.

The Cover of Night Training. While much of the spade work

for the mutiny was done calmly over a period of time the night training in the last week of May '81 (7 to 30 May '81) helped a great deal in finalising various arrangements like last minute tieing ups, sorting out required arms ammunition and transport, briefing, liaison and contacts. These were conveniently mostly in Divisional Tactical Headquarters 65 Infantry Brigade, and in the lines of some of the units without arousing much suspisions which would have, otherwise, cropped up. Even the assault group for Circuit House left Cantonment creating least doubt in the mind of general troops who remained indifferent to such move and activity during and after night training hours.

SUDDEN VISITS OF CHITTAGONG HILL TRACTS. As per the witness and records available there was total inactivity on the part of Brigade Commanders who seldom visited the operations area. There was clear evidence of Brigadier Mohsin Commander 69 Infantry Brigade not visiting his main Headquarters for long two months. Even his Brigade Major Major Khaled remained in Chittagong during this time. After a spell of inactivity Brigadier Mohsin and his Brigade Major Major Khaled suddenly visited Bandarban his Main Headquarters on 29 May 81 and that too un-announced when the Commanding Officers were away in the forward area. It was later found that the whole purpose of visiting the main Headquarters was far from operation in Chittagong Hill Tracts. He and his Brigade Major left Bandarban with an instruction for Commanding Officer 1st East Bengal Regiment to go away further deep for an operation.

MOVE OF COMPANY OF 1ST EAST BENGAL REGIMENT TO KALURGHAT. During their short visit to Bandarban both Commander Brigadier Mohsin and Brigade Major Major Khaled ordered to keep a Company stand by for some

Internal Security duty in Kalurghat the same night. During night of 29 May 81 Brigade Major Major Khaled wanted over telephone to move the Company. Finally two platoons with Major Fazlul Haque, Second in Command 1st East Bengal Regiment, Lieutenant Matiur Rahman, the adjutant and

Captain Ghys the Staff Captain of the Brigade arrived at Kalurghat bridge. In hindsight, it was found that these troops were meant for contingency requirement at Circuit House Operation.

HEADQUARTERS 65 INFANTRY BRIGADE SHROUDED IN MYSTERY. During night of 29 May 1981 this Headquarters became the centre of many mysterious activities. Both Commander 65 Infantry Brigade, Colonel Rashid and Commander 305 Infantry Brigade, Colonel Nawresh stayed in this Brigade Headquarters. The Headquarters being a bit away from main Cantonment and linked from outside directly, it served presumably as the Headquarters of the mutiny that night. A rear link communication was established in the wireless Transmissions room of this Headquarters. Both the Brigade Majors, Major Iazzani and Major Qayum remained active here. During mid-night Lieutenant Colonel Dilawar came here in his white car and waited till morning to shift the assault group casualties to Combined Military Hospital from here.

BRISK ACTIVITIES IN HEADQUARTERS 69 INFANTRY BRIGADE AND CULVERT NEAR IT. During the entire period of night training hours an intense briefing/instructions went on in the office of Major Khaled, Brigade Major 69 Infantry Brigade which was visited by most of the conspirators. Suspicious movements inside the office and outside in the verandah was curiously witnessed by many. At one time a group of officers conversing in whispers shifted to a culvert near the Brigade Headquarters. All who were in that group around the culvert included Lieutenant Colonel Matir Rahman, Lieutenant Colonel Mehtabur Rahman, Major Khaled and Major Shaukat. Here Major Shaukat and Captain Iqbal were to provide some troops and transport for some mission not disclosed to them. Major Khaled was hard driving 15 East Bengal Regiment officer for cowardice and non-cooperation.

Shifting of Tactical Headquarters from Barracks
This was a very significant step in the whole sequence leading to the mutiny on night 29/30 May 81. The Tactical Head-

quarters of 34 Infantry Division hitherto functioning at Rangamati was dramatically shifted to Chittagong Cantonment on 29 May 81 along with its entire staff headed by Lieutenant Colonel Matir Rahman. Late Major General Mazarur paid a surprise visit to Tactical Headquarters in Rangamati and caught the entire outfit unaware with all its irregularities. He summarily ordered the Tactical Headquarters to be shifted to Chittagong Cantonment forthwith. Although there were reports earlier about numerous misdeeds and malpractices of Lieutenant Colonel Matir Rahman in Rangamati the motives that worked behind this shift was clearly different i.e. to be able to plan and organise the plots against the President/Government in close concert. It is evident from the following facts : (i) The late General Officer Commanding never made deliberate efforts to correct the ill habits of Lieutenant Colonel Matir Rahman i.e. drinking gambling and late coming to the office either earlier or afterwards. In fact, gambling was a favorite feature of the Staff House while Lieutenant Colonel Matir Rahman on occasions made it clear to General Officer Commanding that he could not come to office earlier than certain time.

(ii) The late General Officer Commanding apparently did not intend to keep the Tactical Headquarters permanently in Chittagong and did not permit telephone connections in new office beyond bare minimum.

(3) Only on the shifting of Tactical Headquarters to Chittagong the activities of the mutineers as can be seen from various statements were intensified to a certain pitch.

The Gross Signal. On 29 May 81 i.e. Friday after Juma prayer the late General Officer Commanding Major General Mazarur Lieutenant Colonel Mehtabur Rahman and Major Khaled sat together in the General Officer Commanding's office. It is here that the fateful decision for the night's incident was taken. The late General Officer Commanding gave his blessing telling the following :—"Now is the time to act, how you do it, with what you do it I don't know.

No troops to be deployed only selected persons will go to the Circuit House. In the morning Key Point Installations and Vulnerable Points will be guarded". After saying so the General Officer Commanding enquired about Lieutenant Colonel Matir Rahman. To this both present assured General Officer Commanding that the (Lieutenant Colonel Matir Rahman) would be back in time.

THE MEETING IN LIEUTENANT COLONEL DILWAR'S HOUSE This was the meeting where the modalities of the mutiny was worked out with the top conspirators i.e. Lieutenant Colonel Mehtabur Rahman, Lieutenant Colonel Matir Rahman Lieutenant Colonel Fazle Hussain, Lieutenant Colonel Dilwar, Major Khaled Major Latif Maqbul Israeni. It is here that the

task to be performed during and after the mutiny were probably allotted. Major Maruf of 5 Signal Battalion joined in late and was given the task of severing communication with Dacca in the next morning. The meeting took place at 1800 hours.

SOME ADDITIONAL INDICATIONS. A few more indications as enumerated below can be considered in retrospect as pointers towards the incident on that particular night.

(1) Suddenly there were cancellation of leaves of some officers i.e. Major Dost Mohammad and Captain Jamil who were granted leave earlier for that period. These officers were later found utilized in the mutiny. The leave of another officer i.e. Lieutenant Mesbah another accomplice was turned down. The leave of Brigadier Abdul Latif was adjusted to extend beyond 30 May 81 whereas he (Brigadier Abdul Latif) wanted it to terminate on 29 May 81.

(2) Commanding Officer 6 East Bengal Regiment proposed earlier that there would be a Pretribhol in the unit in the evening of 30 May 81. It was presumably to celebrate the success of the operation on 29 May 81.

(3) A big commotion was created at the instruction from Bangabhaban the General Officer Commanding would not be required to receive see off the President at the airport. The instruction was instantly checked by Lieutenant Colonel Matir Rahman from Military Sec

return to the President. This departure from routine for the first time thickened up doubts and apprehension in the mind of mutineers and probably prompted them to hatch a plot.

BRIEFING AND OATH TO KING Inside Chittagong Cantonment the briefing and oath taking in two different venues as under and the mutineers departure to Kalurhat before Rendezvous of the operation with arms, ammunition and transport were the final steps of sequence unveiled so far.

VENUE The venue of conspiracy were as under (1) 6 East Bengal Regiment Commanding Officers office Time 30 minutes past midnight Conducted by Lieutenant Colonel Shah M Fazle Hussain Officers Present Lieutenant Colonel Mehboob

Lieutenant Colonel Matiur Rahman
Major Dost Mohammad
Captain Areefin
Captain Ilyas
Lieutenant Musleh

(2) 28 East Bengal Regiment Second-in-Command's Office

Time : 11.30 PM
Conducted by : Lieutenant Colonel Matiur Rahman
Officers present : Lieutenant Colonel Mehboobur Rahman; Major Momin; Major Gias; Captain Munir; Captain Jamil; Captain Ghias; Captain Mainul.

The final hour of the drama struck as the parties of mutineers set off via Public School road towards Kalurhat bridge at about 01.30 AM on the fateful night of 28/30 May 81.

Execution of the plot

Assembly at Kalurhat :
The conspirators started reaching Kalurhat around 2 AM. 30 May 81. First to reach were Lieutenant Colonel Mehboobur Rahman, Lieutenant Colonel Matiur Rahman, Major Muzafar and Captain Syed Md. Munir in a white Toyota car. After some time came Lieutenant Colonel Fazle Hussain Commanding Officer 6 East Bengal Regiment, with the following officers Junior Commissioned Officer in 1 x Jeep and 2 x Pickup:-

a. Captain Mohammad Ilyas
— 6 East Bengal Regiment

b. Captain Md Abdus Sattar — 6 East Bengal Regiment

c. Lieutenant Rafiqul Hasan Khan — 6 East Bengal Regiment

d. Lieutenant Mosle Uddin Ahmed — 6 East Bengal Regiment

e. Subedar Sardar Rahmat — 5 East Bengal Regiment

f. Captain Jamil Haque — 21 East Bengal Regiment

They also brought 3 x Hand Launchers 11 x SMGs and 2 x Grenade Firing Rifles. Major Gias Uddin Acting Commanding Officer 11 East Bengal Regiment; Major Kazi Mominul Haque Second-in-Command 28 East Bengal Regiment and Captain Salahuddin of 11 East Bengal Regiment reached together in a Convoy of 2 x Jeeps and 1 x Pickup. Last of all came Major S.M. Khaled Brigade Major 69 Infantry Brigade followed by Major Fazlul Haque Second-in-Command 1 East Bengal Regiment Captain Ghias Uddin Staff Captain 69 Infantry Brigade and Lieutenant Matiur Rahman Adjutant 1 East Bengal Regiment.

Execution of Plot

Dacca THE BANGLADESH OBSERVER in English 7 Aug 81 pp 1, 8

[Text]

The third instalment of the White Paper on the killing of President Ziaur Rahman was issued on Thursday. This part of the White Paper dealt with how the mutineers executed the plot of killing the President and inadequate Police guard at the Circuit House on May 29/30, 1981.

The White Paper stated that out of required 127 uniformed policemen and 39 plain clothed Special Branch personnel only 45 uniformed and 12 plain-clothed Special Branch personnel were posted for the security of the President.

The White Paper further said that the mutineers went to the Circuit House in three groups. One group headed by Lt. Col. Motiur Rahman was assigned for the killing of President who was sleeping in his room in the first floor. Lt. Col. Motiur Rahman started looking for the President

He knew that President was staying in room No. 4. It had two doors, one near the stairs going upwards which was bolted from inside and the other opening towards the southern verandah was locked from outside. Lt. Col. Motiur Rahman and Capt. Sattar started kicking the locked door. At that moment, the White Paper stated, the President came out opening the door near the stair side. He was stated to be calm and cool without any sign of alarm on his face. Some one shouted "President is coming out." The White Paper said everyone rushed and fired at the President. The President fell down to the floor near the stairs with his chest littered with the bursts of sub-mACHINE gun from pointblank range. Even after this, the White Paper said, his face was turned upwards by Lt. Col. Motiur Rahman who by that time went completely berserk

and hysterically fired and emptied a complete magazine on him.

The White Paper said that Lt. Col. Mahfuz contacted Army Headquarters over wireless and talked to Director of Military Operations and his staff and asked for a helicopter to be flown with Chief of Army Staff, Military Secretary to the President and Home Minister so that President's body could be taken out.

The following is the third part of the text of the first instalment of the White Paper issued by the Government on the abortive mutiny in Chittagong on May 30 1981.

TROOPS FROM BANDAR BAN Major Fazlul Haque brought 2X Platoons 1E. Bengal, with 2X Junior Commissioned Regiment (40 Persons) along Officers namely Subedar M.A. Zafar Chowdhury and Naib Subedar Solaiman Major Khaled briefed the officers and Junior Commissioned Officers of 1 East Bengal Regiment about

the impending operation at Circuit House where President was staying for night but the response from them were not encouraging Lieutenant Motiur was left behind with his troops and Major Khaled told him to

collect all the vehicles including the civil car of Lieutenant Colonel Mehboobur Rahman and park them on the other side (Bandarban) of the bridge

PREPARATION AND BRIEFING. The magazines of Sub-Machine Guns were 1 filled rockets and grenades were fitted in the hand launcher and Grenade Firing Rifles by the officers. Lieutenant Colonel Motiur Rahman called all officers present at Kalurghat inside one pickup because of space a few kept standing outside. He briefed them about the details of the plan of President's assassination with a sketch of Circuit House. He conducted path to all officers with the Holy Quran and put them into three groups. Each group was further briefed by him separately. The first group was selected from the volunteers who were to be for the first floor of the Circuit House where the President was staying. Grouping and tasks distributed to each were as under.

(i) **FIRST GROUP**

- (a) **PERSONS**
 - (i) Lieutenant Colonel Mehboobur Rahman
 - (ii) Lieutenant Colonel Fazle Hussain
 - (iii) Major S M Khaled
 - (iv) Captain Jamil Haq

- (v) Captain Md Abdus Sattar
- (vi) Lieutenant Rafiqul Hassan Khan

(b) **TASKS**

(i) Once the pick up will cross the main gate of the Circuit House Lieutenant Colonel Fazle Hussain will fire Hand Launcher at the main door of the ground floor.

(ii) Simultaneously Lieutenant Rafiq and Captain Sattar will fire grenades from Grenade Firing Rifles towards the Circuit House and Captain Jamil will spray the area with 7.62 mm Light Machine Guns fire.

(iii) On reaching the portico they will rush to the first floor with Sub Machine Guns and go for the room each one assigned to.

(c) **DISTRIBUTION OF THE ROOMS**

- (i) Room No. 7—Captain Jamil Haq
- (ii) Room No 8—Lieutenant Rafiqul Hassan Khan
- (iii) Room No 9—Lieutenant Colonel Fazle Hussain and Captain Abdus Sattar.

(d) **TRANSPORT** 1 X Pick up to be driven by Lieutenant Colonel Mehboobur.

(e) **COMMAND** Lieutenant Colonel Fazle Hussain

(2) **SECOND GROUP**

(a) **PERSONS**

- (i) Lieutenant Colonel Motiur Rahman
- (ii) Major Mominul Haque
- (iii) Major Monzafar Hussain
- (iv) Captain Salahuddin Ahmed
- (v) Captain Md Ilyas
- (vi) Lieutenant Md. Uddin

(b) **TASKS.** To stop out side interference while first party went for the President.

(c) **TRANSPORT** 1 x Pick up to be driven by Lieutenant Colonel Motiur Rahman.

(d) **COMMAND** Major Mominul Haque

(3) **THIRD GROUP**

(a) **PERSONS**

- (i) Major Md. Uddin
- (ii) Major Fazlul Haque
- (iii) Captain Ghias Uddin Ahmed
- (iv) Captain Md. Syed Md. Munir

(b) **TASKS.** To act as cut off party near Almas Cinema Hall behind the Circuit House and shoot if any one wanted to escape from the Circuit House.

(c) **TRANSPORT** 1 X Jeep

(d) **COMMAND** Major Md. Uddin

APPROACH TO CIRCUIT

House The mutineers once briefed by Lieutenant Colonel Motiur Rahman left Kalurghat at about 3.30 a.m. on 30 May 81 when it was raining heavily. The order of march was as per the groupings discussed earlier. Keeping the Chittagong club to the left first 2 Pickup went straight to the Dewanhat over bridge round about and took left turn. Again these two pickups turned left and came straight in to the Circuit House through the C&B Road. The third group in the jeep stayed back near the Almas Cinema Hall.

SECURITY OF THE CIRCUIT HOUSE.

On that fateful night the following policemen were posted for the security of the President as stated by Mr Zaman Commissioner of Metropolitan Police Chittagong. Further it is revealed by Inspector Bazlur Rashid Officer in Charge of the House guard that Lieutenant Colonel Mafuzur Rahman Personal Staff to the President had ordered to remove two constables meant for guarding the President's suite on night 29/30 May 81.

It will be seen out of required 127 uniformed Policemen and 39 plain clothed Special personnel only 43 informed and 12 plain clothed Special Branch Branch personnel were posted for the security

(i) **Uniformed Police Personnel Required actually Posted**

Nature of Duty	Number of Persons to be Posted	Actual Number Posted	Re. marks
House Guard	34	8	
Inner Cordon	30	14	
Outer Cordon	36	17	
Main Gate	12	4	
Outer Gate	8	NIL	
Water Tank	4	1	
Supervision	3	1	
Grand Total	127	43	

(ii) **Plain Clothed Police/Special Branch Personnel Required Actually Posted**

Isolation Cordon	3	1
Inner Cordon	12	4
Outer Cordon	15	4
Supervision of Inner and Outer Cordon	8	1
Main Gate	8	2
Grand Total	39	13

of the President. It may be mentioned here that the responsibility for security of the person of the President while staying in civil area lies with the civil Police. According to the rules for the protection of the person of the President of Bangladesh as laid down by the Ministry of Home Affairs this responsibility lies with the Government in the Ministry of Home Affairs which it will exercise through the Inspector General of Police. The Rules again state that when the President is within the Cantonment this responsibility entirely rests with the Army authorities. Police will continue to exercise full responsibility outside the Cantonment areas and defence installations. This Rules further state that the military Sentry at the President's residence will be in addition to the inner cordon of affect or reduce the responsibility of military guard does not affect or eta shr ta shrifw ability of the police for the protection of the President.

The Assault. Meanwhile the two pickups commanded by the rebels entered the Circuit House unopposed and unchallenged. Everything went as per plan of the mutineers. Lieutenant Colonel Fazle Hussain fired his Hand Launcher followed by the grenades of the Grenade Firing Rifles and simultaneous firing from Light Machine Guns/Sub Machine Guns. Occupants of the first pickup rushed to the first floor. They fired indiscriminately towards the door of each room. Lieutenant Colonel Fazle Hussain was hit by a bullet. Just after he got down from the vehicle and could not reach the stairs. Captain Jamil was also hit when he was midway between the ground and the 1st floor. Both of them presumably hit by the fire from their own comrades who got down from the second vehicle. However Captain Jamil reached the upstairs even with his wounds. Out of the six officers tasked for the first floor only Lieutenant Colonel Mehbob stayed at the ground floor. On the other hand following officers who were responsible for the ground floor went upstairs and joined the first group.

- (1) Lieutenant Colonel Motiur Rahman
- (2) Major Khaled
- (3) Major Muzaffar

(4) Captain Salahuddin
(5) Lieutenant Mosleh Uddin

The officers went banging/kick ins each door of the first floor Captain Sattar found Dr. Amlan Nahman in room No -4. In the meantime Lieutenant Colonel Ahsan and Captain Hafiz came out of their rooms and were shot by the rebel officers. No. 3940075 Naik Rafique Uddin East Bengal the bodyguard of the President was wounded near the door of room number 3 where he was staying with wireless operator and could not come out. This fire was from the Sub-Machine Guns of Captain Jamil according to the statement of the officer himself.

The Assassination of the President. Lieutenant Colonel Motiur Rahman started looking for the President. He knew that President was staying in room number-4. It had two doors one near 1st stairs go,

ing upwards which was bolted from inside and the other open ing towards the southern verandah was locked from outside. Lieutenant Colonel Motiur Rahman and Captain Sattar started kicking the locked door. At that moment the President came out opening the door near the stair side. He was stated to be calm and cool without any sign of alarm on his face. Some one shouted "President is coming out". Every one rushed and fired at the President whose last words were "কেন্দ্র ফি এ ?" Be-

[passage in Bengali]
fore he could hear any reply he fell down to the floor near the stairs with his chest littered with the bursts of Sub-machine Guns from pointblank range. Even after this his face was turned upwards by Lieutenant Colonel Motiur Rahman who by that time went completely berserk and hysterically fired and emptied a complete magazine on him. Immediately after this Lieutenant Colonel Motiur Rahman gave the call to withdraw.

WITHDRAWAL. The withdrawal took place hurriedly the wounded officers were put into the first pickup which was then driven by Lieutenant Colonel Motiur Rahman. The pickup entered Cantonment via Bypass lines and came to Headquarters 45 Infantry Brigade at about 4:30 AM on 30 May

81 Lieutenant Colonel Fazle Hussain and Captain Jamil were taken into the private car of Lieutenant Colonel Dilawar who drove them to Combined Military Hospital. Lieutenant Colonel Dilawar went to General Officer Commanding's house from Combined Military hospital and informed him about the casualties. The second pickup driven by Lieutenant Colonel Mehbob went to Agrabad Radio Station at about 4:45 AM along with Major Khaled, Captain Sattar and Lieutenant Rafique. They disarmed the police sentries and took control of the Radio Station. The third party under Major Gias went straight to Bandarban from Almas Cinema Hall once both the pickups left Circuit House. They dropped Major Fazil Haq and Captain Ghyas at Bandarban and returned to Chittagong in civies with the civil car of Lieutenant Colonel Mehbob.

GRIEF STRICKEN CIRUIT HOUSE When the firing at the Circuit House was going on, Captain Mazhar ADC to the President tried to contact the President through telephone but could not get any response from the o.h.r side. He contacted Lieutenant Colonel Mahfuz over the telephone who asked him to contact the President through the telephone. In the meantime the ADC of the Naval Chief also rang up Captain Mazhar from the city and enquired about the firing. He tried to contact Headquarters 24 Infantry Division and could not find any-body from the Headquarters but found Major Mujib of Field Intelligence Unit on telephone to whom he requested for immediate help. Lieutenant Colonel Mahfuz also received telephone calls from Mr. Saifuddin, Divisional Commissioner and Mr. Zaman Metropolitan Police Commissioner both of whom asked about the firing incident. When firing subsided a bit Captain Mazhar heard the moaning sound of Naik Rafique the bodyguard of the President. He crawled to room number-2 (Naik Rafique) and found him profusely bleeding from bullet wounds. Captain Mazhar picked his (Naik Rafique's) Sub Machine Gun and crawled back to his room. In the meantime Lieutenant Colonel Mahtabul Islam, of Army Medical corps, personal Physician to the President came out of his room.

By that time firing had completely stopped. He went to Naik Rafique with first aid box and gave him first aid. The time then was about 5 AM 30 May 81. Lieutenant Colonel Mahfuz came out of his room wearing a lungi and a shirt. By this time Mrs. Amina Rahman also came out from her room but the door of Dr. Badruddoza Chowdhury and Mr. Mohibul Hassan was closed. Lieutenant Colonel Mahtab arranged evacuation of six army/police injured persons to the civil hospital. Captain Mazhar talked to Military Secretary to the President at about 5:30 AM over telephone and informed him about the President's killing. Subsequently following persons visited the Circuit House:

- (1) Rear Admiral M A Khan Chief of the Naval Staff
- (2) Mr. Saifuddin, Divisional Commissioner
- (3) Mr. Ziauddin, District Commissioner Chittagong
- (4) Mr. Zaman, Metropolitan Police Commissioner.

Lieutenant Colonel Mahfuz contacted Army Headquarters over wireless and talked to Director of Military Operations

and his staff and asked for a

helicopter to be flown with Chief of Army Staff, Military Secretary to the President and Home Minister so that the President's body could be taken out. Mr. Badruddoza, Mr. Mahibul Hassan and Mrs. Amina Rahman, left with a car for some unknown destination. Mr. Saifuddin the Divisional Commissioner, Chittagong took along with him Lieutenant Colonel Mahfuz, Lieutenant Colonel Mahtab, Captain Mazhar and wireless operator to his house.

CASUALTIES: From list provided by the police it was seen that only three police guards received bullet injuries out of 18 injured persons of which one died. The remaining ones were injured due to splinters, a rasion, friction and crawling. The army casualties were:

- (1) Lieutenant Colonel A F M Moinul Ahsan, Security Officer to the President—

- (2) BS 34090 Captain Ashraful Haiz Khan, President Guard Regiment—dead
- (3) Number 3940877 Naik Aliu Taher, President Guard Regiment—dead
- (4) Number 3955714 Sepoy Md Abul Quashem, President Guard Regiment—dead
- (5) Number 3970057 Sepoy Abdur Rouf, President Guard Regiment—dead
- (6) Number 3955993 Sepoy Shah Alam, President Guard Regiment—dead
- (7) Number 3955843 Sepoy Mdne Uddin, President Guard Regiment—wounded
- (8) Number 3950072 Sepoy Abdul Hai Sardar, President Guard Regiment—wounded
- (9) Number 3940073 Naik Rafique Uddin 8 East Bengal Regiment, Bodyguard to the President—Wounded
- (10) Number 2520 Constable Dulal Miah, Chittagong Metropolitan Police dead

Post-Mutiny Activities

Dacca THE BANGLADESH OBSERVER in English 8 Aug 81 pp 1, 8

[Text]

The fourth instalment of the White Paper on Chittagong mutiny and the killing of President Ziaur Rahman issued on Friday stated the post mutiny activities in Chittagong by the General Officer Commanding of the 24 Infantry Division.

The White Paper said that after being briefed by Lt Col Delwar regarding the details of action at Circuit House the leader of the mutiny General Manzur went to 8 East Bengal Regiment in civil clothes and ordered Major Dost Mohammad Sikder Second-in-Command of the 8 East Bengal Regiment to send troops of platoon strength to military police rates and signals centre. From there he came to his office and ordered all available divisional staff officers Brigade Commanders, Commandants East Bengal Regimental Centre, Commandant Bangladesh Military Academy and Artillery

Centre all divisional troops commanding officers to come to office immediately.

General Officer Commanding addressed the officers and told them that the President had been killed by some young officers and he was with them the White Paper stated. He emphasized that the country was not administered properly and a revolutionary council is to take adequate measures to correct it. He then asked every one present to touch the holy Quran which was kept in his office to take an oath of allegiance and present a report to him and the revolutionary council. Every one present had touched the holy Quran.

The White Paper stated that from 8 a.m. on May 30, 1981 he gave similar briefings to civil and military officials. However neither Navy nor Ban-

gladesh Airforce gave any encouraging support at any time to the rebel cause. The White Paper said that General Manzur then addressed series of meetings with the civil and military officers and also troops. The troops did not respond spontaneously to his call.

The White Paper stated that by early afternoon of May 31 the rebel leader Major General Manzur and his cohort could read the writings of the wall very clearly. At 6 p.m. on May 31 General Officer Commanding called a conference attended by senior officers in the garrison including the brigade/battalion commanders and his staff officers. General Officer Commanding asked their views whether to start negotiations or not. With the exception of Lt. Col. Motiur Rahman and Lt. Col. Delwar

every one suggested that negotiations was the only peaceful answer.

Brigadier Hannan was nominated by GOC to start negotiation with Dacca at around 8:30 p.m. Brigadier Hannan started the negotiations with Army Headquarters with a dictated sentence by General Manzur "I feel there is a scope for negotiation. You have to send two negotiators to Chittagong and announce it over radio and also Radio Bangla. desh should stop anti-revolutionary broadcast".

The White Paper said the negotiations over telephone continued up to around 1:30 a.m. on June 1, 1981. Ultimately the rebel leader could feel that Dacca was firm not to accept his conditions and he fled away like a coward General.

The following is the third instalment of the chapter II (two) of the White Paper on the assassination of President Ziaur Rahman.

(Post Mutiny Activities): General Officer Commanding's quick reaction:

After evacuating Lieutenant Colonel Fazle Hussain and Captain Jamil to Combined Military Hospital, Lieutenant Colonel Dilawar went to Major General Manzur's house and in all probability briefed him regarding the details of action at the Circuit House. The leader of the mutiny then personally drove his staff car in civil cloth, went to the office of 6 East Bengal Regiment where he found Second-in-Command of 6 East Bengal Regiment Major Dost Mohammad Sikder and ordered him to send troops of platoon's strength to the military police gates and signals centre. He ordered 2 companies of 6 East Bengal Regiment to move to Shuvapur Bridge for taking up defence against possible attack of the loyal forces from Comilla.

On further instructions from Lieutenant Colonel Motiur Rahman Major Salam, Brigade Major 203 Infantry Brigade and Captain Illyas Lieutenant Moslehuddin of 6 East Bengal Regiment along with the troops of 6 East Bengal Regiment left for Shuvapur at around 9:30 a.m. on 30 May 81 and took position near Shuvapur Bridge and new bridge on Feni River.

Oath Taking Ceremony: General Officer Commanding went to his office from 6 East Bengal Regiment and ordered

all available Divisional Staff Officers, Brigade Commanders, Commandant East Bengal Regimental Centre, Commandant Bangladesh Military Academy and Artillery Centre all available Divisional Troops Commanding Officers to come to office immediately. General Officer Commanding addressed officers and told them that the President had been killed by some young officers and he was with them. He emphasized that the country was not administered properly and a Revolutionary Council is to take adequate measures to correct it. He then asked every one present to touch a holy Quran which was kept in his office to take an oath of allegiance and pleading support to him and the Revolutionary Council. Every one present had touched the Holy Quran. From 8 A.M. on 30 May 81 Commissioner, Deputy Commissioner Metropolitan Police Commissioner Chittagong Sector Commander Bangladesh Rifles, Deputy Inspector General of Police Chittagong Range, Commanding Officer 34 Light

Anti Aircraft Regiment Artillery Base Commander Bangladesh Airforce and his staff Officer (Operations) General Staff Officer-2 (Operations) arrived at the Divisional Headquarters met General Officer Commanding and similar briefing and oath-taking was repeated. However neither Navy nor Bangladesh Airforce gave any encouraging support at any time to the rebel cause.

Atmosphere in the Division Headquarters: Atmosphere in the Division Headquarters after General Officer Commanding's briefing was one of euphoria. Whispered consultation were going on in full swing between the officers. Most active were Lieutenant Colonel Mahboob, Lieutenant Colonel Motiur Rahman and Lieutenant Colonel Dilawar. Lieutenant Colonel Dilawar was surprisingly active. He made frequent visits to the General Officer Commanding's Office and passed down the orders to Lieutenant Colonel Moti and Lieutenant Colonel Mehbob. Among others who were seen very active, were Major Khaled who made frequent visits to the Divisional Headquarters and also Major Iazzani, Major Muzaffar Major Gias and Major Momin. Brigadier Mohsin was kept in the Division Headquarters while General Manzur went out to address the troops and civil officials in the Deputy Commis-

sioner's office. Consultation were also done by the General Officer Commanding with Colonel Rashid and Colonel Nawazesh. Throughout Saturday the spirit of the gentlemen seemed very high and were bursting with enthusiasm.

Deployment of Troops: At 11 A.M. on 30 May 81 General Officer Commanding called all Brigade Commanders, East Bengal Regimental Centre and Grade-1 Staff Officers of the Division in his office and gave deployment order as stated below:-

- (1) With a mission to defend own area of responsibility against any external threat, the outline of deployment was as under:-
 - (a) Denv axis Shuvapur — Sitakunda — Chittagong.
 - (b) Denv beach Landing at Patenga, Faunderhat and Kumra.
 - (c) Defend Chittagong Airport and Seaport.
 - (d) Defend Chittagong Cantonment.
- (2) (a) 303 Infantry Brigade group was given the task to defend axis Shuvapur — Sitakunda — Chittagong and denv beach landing at Kumra.
- (b) 65 Infantry Brigade group was given the task of Defending Chittagong.
- (c) 69 Infantry Brigade group was to defend Chittagong Airport, Seaport and area Kalurhat including Radio Transmission Station.

Arrival of Lieutenant Colonel Mahfuz: Lieutenant Colonel Mahfuz: Lieutenant Colonel Mahfuz and Captain Mazher had already left the Circuit House and were staying with the Divisional Commissioner in his house. Arrangements were made to collect them along with other personnel of President's Guard Regiment and the above named three officers were brought to Division Headquarters by Major Iazzani around 11:30 A.M. on 30 May 81 and kept in 69 Infantry Brigade Mess.

BURIAL OF PRESIDENT: At around 9:30 a.m. on 30 May 81, Major Muzaffar Major Shaukat Alley and Major Reza alongwith some troops left the Division Headquarters for Circuit House. Major Reza brought few members of the guard Regiment to the Cantonment at 12 a.m. on 30 May 81. Major

Muzaffar alongwith Major Shaukat Alley took the bodies of the Hon'ble President, Lieutenant Colonel Ahsan and Captain Hafiz, wrapping them most unceremoniously in bed sheets and took them to a village named Pathargata under Rangunia (in Kaptai Road) Police Station. There with the help of a village Moulana they perfunctorily buried the three bodies in a 5' x 4' waist deep shallow grave.

GENERAL OFFICER COMMANDING'S ADDRESS TO TROOPS At 12 a.m. on 30 May 81 General Officer Commanding addressed 24 East Bengal Regiment. On 31 May 81, from morning hours it was perhaps becoming apparent that troops were not as enthusiastic to the cause of the mutiny as was expected and General Officer Commanding decided to pay personnel visits to all units. From 8-30 a.m. on 31 May to 2 p.m. on 31 May 81 General Officer Commanding visited 11 and 28 East Bengal Regiment, Artillery Centre East Bengal Regimental Centre 35 Supply and Transport Battalion, Base Supply Depot, 119 Field Workshop Company, 3 Signal Battalion, 31 Field Ambulance, 18 Field Ambulance and 34 East Bengal Regiment where he addressed officers, Junior Commissioned officers and troops urging them to support him and the Revolutionary Council. Troops on hearing his urge gave a very cold shoulder mutinied amongst themselves in unhappy mood and did not raise their hands as expected in support of the General Officer Commanding. After delivering lectures to Artillery Centre and School, signs of unhappiness mixed with consternation was clearly visible in the rebel leaders face.

GENERAL OFFICER COMMANDING'S ADDRESS TO CIVIL OFFICIALS At around 11-30 a.m. on 31 May 81 General Officer Commanding addressed a cross section of civil official of Chittagong in the conference room of the Deputy Commissioner Chittagong for about 1½ hours where Commissioner, Deputy Inspector General of Police, Metropolitan Police Commissioner Superintendent of Police, Bank and Port officials and others were present.

He started the meeting by ordering them not to listen the Dacca Radio and warned them that no officer should keep

their feet on two boats. He bitterly criticised the government during his address. He gave directions to Port authority not to allow any ship movement and directed that no petrol, oil and lubricant should be sent to Dacca. He directed Regional Director, Radio Bangladesh Chittagong to comply with his instructions and maintain 24 hours service. He directed that Bangladesh Bank at Chittagong should act as reserve bank and local bank officials to carry on the banking functions.

General Officer Commanding's Attempt to Mobilise Support. Major General Manzur took overt and covert means to get support from different formations Bangladesh Rifle Police, Mukti Joddhays, Chhatra League (Havishay) by sending courier issuing signal message and sending local emissaries. It seems that except a very feeble support sending Fueel eta shir ta shro from Mukti Joddhays he did not get any moral support in his cause of the mutiny. In order to motivate the troops and gain public opinion he issued different bulletins at various time to Radio and Television.

Reaction. Troops of 34 Infantry Division were getting increasingly alarmed of the consequences of the mutiny. They started defecting some troops. By 11 A.M. troops from 6 East Bengal Regiment, 28 East Bengal Regiment and 36 East Bengal Regiment crossed the Shuvapuri bridge and joined loyal forces. At 11-30 a.m. troops of Field Regiment Artillery Headquarters, 305 Infantry Brigade, 119 Field Workshop Company, 31 Field Ambulance and a Company of 28 East Bengal Regiment followed suit.

Negotiation. By early afternoon of 31 May 81 the rebel leader Major General Manzur and his cohort could read the writings on the wall very clearly. At 6 P.M. on 31 May 81

General Officer Commanding called a conference attended by senior officers in the garrison including the Brigade, Battalions Commanders and his Staff Officers. General Officer Commanding asked their views whether to start negotiations or not. With the exception of Lieutenant Colonel Matiur Rahman and Lieutenant Colonel Dilwar everyone suggested that negotiations was the only peaceful answer. Brigadier Hannan was nominated by General Officer Com-

manding to start the negotiations, with Dacca at around 6-30 P.M. Brigadier Hannan started the negotiation with Army Headquarters with a dictated sentence by General Manzur "I feel there is a scope for negotiation. You have to send two negotiators to Chittagong and announce it over Radio and also Radio Bangladesh should stop anti-Revolutionary broadcast."

Final Departure. Negotiation over telephone continued up to around 1-30 A.M. on night of 31 June 81. Firm land Army Headquarters asking for unconditional surrender of the mutineers convinced Major General Manzur that his terms and conditions could not be made acceptable to the Army Headquarters. It may be mentioned here that on previous occasions Army Headquarters had met most of his replies for men and material since he was entrusted with a great responsibility of counter Insurgency Operations at the Chittagong Hill Tracts. Further it is a common practice that normally a General Officer Commanding may request men to some extent of his choosing and material as per requirements for performing a specific challenging task from higher Headquarters for successful conduct of such tasks. Operations assigned to him. But unfortunately Major General Manzur utilised all resources placed under his command to further his nefarious design. And that the rebel General was having sinister design at the back of his mind were subsequently detected and duly reported by Chief of Army Staff and various Intelligence agencies to the late Honourable President time and again. At around 2 A.M. on 31 June 81 he left the Divisional Headquarters saying that he was going home leaving behind every one in his office and did never come back. At one stage during the mutiny General Officer Commanding 24 Infantry Division remarked to his officers that if the mutiny failed he would die in his chair. Ironically before even 48 hours could lapse the remarks was proved to be farcically untrue as he fled so ignominiously from his office never to return. If these events receive cognizance in the history of our nation this particular remark will stand out as being the over confident claim of a vaultingly ambitious and cowardly General.

Fate of Manzur

Dacca THE BANGLADESH OBSERVER in English 9 Aug 81 pp 1, 12

[Text]

The fifth instalment of the White Paper on Chittagong mutiny and the killing of President Ziaur Rahman issued on Saturday dealt with fleeing of the mutiny leader Major General M.A. Manzur along with his family and other accomplices. This part of the White Paper also dealt with the arrest of General Manzur and his killing by some agitated troops.

The White Paper said that General Manzur fled from the Cantonment at around 3 a.m. on June 1, 1981 in a jeep presumably to take shelter at Chittagong Hill Tractor across. There were four persons in the jeep—the mutiny leader Major Gen. Manzur, Major Reza, Major Muzaffar and the driver of the jeep. The jeep stopped near Chittagong University where after half an hour the family of Major General Manzur and Lt. Col. Delwar joined him.

Along with other officers two jeeps and one pick up proceeded towards north of Chittagong Cantonment. As they drove along the first jeep soon outdistanced the other vehicles and was not within sight of each other. Early in the morning of June 1 the passengers of the rear jeeps heard the sounds of firing in front. These were sounds of firing the White Paper said when the mutineers of the first jeep were confronted by the troops of 13 Engineer Battalion led by an officer who were on their way to safety and surrender. In the exchange of fire encounter Lt. Col. Motur Rahman and Lt. Col. Mahboob from the mutineers were killed and one Naib Subedar Shamsul Alam of 13 Engineer Battalion was also killed.

After this incident Major General Manzur along with others drove back towards Chittagong and after some time he made halt. Here Major General Manzur begged forgiveness from wounded Lt. Col. Fazle Hussain by saying that it was all his fault and no one else to be blamed for it. There after Major General Manzur and his family and children and wife of Col.

Delwar, Major Glas and Major Reza started walking across the countryside leaving the other mutineers to their fate. After walking a considerable distance with the help of local guides tired and worn out finally the General along with his party took shelter in the house of a tea garden employee at the Kulipara of Ashia Tea Garden. He reached there at about 2.30 p.m. There he sent a local man to bring some food and food was arranged. At about 4 p.m. when Major General Manzur and Major Glas were having food they found themselves encircled by police and immediately went into hiding. But ultimately he surrendered and was brought to Hathazari Police Station. From there they were handed over to the Escort Officer who went from Chittagong Cantonment. But there were thousands of agitated people in and around the police station and in three jeeps Major General Manzur, his family and other officers escorted by police jeep were brought to Chittagong Cantonment. The police left the convoy when the jeep of Major General Manzur entered the Cantonment through No 2 military gate. The pick up carrying the family went straight to the Flax House and jeep carrying Major Reza went straight to the Regimental Centre.

The White Paper said that when the jeep carrying Major General Manzur entered the Cantonment the Escort Officer found troops with arms who were moving around. This made him cautious and as the vehicle neared the VIP house he found more troops. This compelled him to turn the vehicle and move towards the Artillery Unit Lines and entered the VIP house from East Bengal Regimental Centre Officers Mess gate via Canteen Store Department shop. As soon as the jeep reached near the tri-junction a group of about 20 to 30 armed troops stopped the vehicle and asked the officer to allow them to search the vehicle. Before he could say anything they opened the back door of the jeep

where General Manzur was sitting. They started shouting "Khunikay Payachhi" and dragged him out of the vehicle. In the meantime the Escort Officer got down from the vehicle and pleaded that due justice would be done by the competent authority and they should not do any harm to the General on the spur of the moment. But it was in vain. The Escort Officer left the place in fear and reported it to the command-in-charge. But after coming they found his body lying in a drain on chest. His body was removed to the Combined Military Hospital where the doctors declared him dead.

COLLAPSE OF THE MUTINY AND DEATH

OF THE REBEL LEADER LEAVING THE HEADQUARTERS : It was apparent from the statements of many witnesses that on the night 31 May at Headquarters 44 Infantry Division the mutineers not very desperate as their strength started weakening with the news of surrender of large number of forces and as Brigadier Hannan Shah was negotiating and Army Headquarters turning down the terms and conditions of the mutineers. It was probably about 1.30 a.m. on 01 June 81 when General Officer Commanding Major General Manzur after talking to Chief of General Staff and sitting in his office decided to leave the cantonment with his family presumably to take shelter at Chittagong Hill Tractor across. As such he left the Division Headquarters saying that he would be back from his residence. However he took along Major Muzaffar and Major Reza his personal security officers. At the residence Major Reza kept sitting in side the jeep. Major General Manzur and Major Muzaffar went in side the residence. What transpired in side the house is not known but apparently it is understood that Major General Manzur probably talked to his wife to get prepared for leaving the Cantonment with the children and probably gave her an RV where they would be meeting. After 30-40 minutes i.e. probably at

ound 3 a.m. on 1 June 81 Major Muzaffar and Major General Mansur got out of the house and embarked the jeep waiting outside. The General Officer Commanding's flag was removed from the jeep. There were four persons in the jeep: driver of the jeep Major General Mansur Major Muzaffar and Major Reza. The jeep got out of the Cantonment with full speed and followed the road leading to Hathazari. Near the Chittagong University the jeep stopped and Major General Mansur told the driver to mark the jeep in a camouflaged area. They all disembarked from the jeep. When Major Reza asked Major Muzaffar why they had stopped Major Muzaffar replied that the General Officer Commanding's family would be coming. After about half an hour they saw two vehicles crossing them one jeep and then the General Officer Commanding's staff car. All of them then got into the jeep and the jeep followed and caught up with the staff car. Inside the staff car were General Officer Commanding's wife with children and Lieutenant Colonel Dilawar's wife with children. After some a long distance they all stopped. A pickup also joined them. In the pickup were Lieutenant Colonel Fazle Hussain and Captain Jamil who were wounded and the vehicle was driven by Major Khaled. In the meantime few more officers joined them in other jeep. Those who gathered there were General Officer Commanding and his family Lieutenant Colonel Mehbوب Lieutenant Colonel Motur Rahman Major Gias Major Iazdani Major Muzaffar Major Reza Lieutenant Colonel Fazle Hussain Captain Munir Captain Jamil and Lieutenant Colonel Dilawar's family. From there General Officer Commanding told the staff car driver to go back with the car to the Cantonment alongwith the General Officer Commanding's jeep driver. Other vehicles were then marched as follows:—

- (1) 1st Jeep (a) Lieutenant Colonel Moti (Driving) (b) Lieutenant Colonel Mehbوب (c) Major (Co-driver's seat) (d) Captain Munir Muzaffar (e) Captain Munir.
- (2) 2nd Jeep (a) Major General Mansur (co-driver's seat) (b) Major Gias (Driving) (c) Major Reza (d) Major General Mansur's children.

(3) 3rd Jeep (a) Major Iazdani (Driving) (b) Major General Mansur's wife (c) Lieutenant Colonel Dilawar's family (wife and children).

(4) Pick up (a) Major Khaled (Driving) (b) Lieutenant Colonel Fazle Hussain (wounded) (c) Captain Jamil (wounded) The Encounter. As they drove along, the first jeep soon outdistanced the other vehicles and were not within sight of each other. Early in the morning of 01 June 81 the passengers of the second jeep heard sounds of firing in front. Those were the sounds of firing when the mutineers of the first jeep were confronted by the troops of 13 Engineer Battalion led by an officer who were on their way to safety and surrender. In the exchange of fire encounter which followed Lieutenant Colonel Motur Rahman and Lieutenant Colonel Mehbوب from the mutineers were killed and one Naib Subadar BJO-4744 Shamsul Alam of 13 Engineers Battalion was also killed. On hearing the sounds of firing Major General Mansur stopped his vehicle and asked everyone to get down. Meanwhile the remaining two vehicles from behind joined them. They decided to turn back towards Chittagong but finding Major Mansur's jeep out of order the passengers Major General Mansur and his children transferred them selves to third jeep driven by Major Iazdani Major Gias and Major Reza embarked the pickup which Major Khaled was driving.

The Cross-Country March. After journeying some distance towards Chittagong Major General Mansur made a halt. Here Major General Mansur begged forgiveness from wounded Lieutenant Colonel Fazle Hussain by saying that it was all his fault and no one else to be blamed for it. Thereafter Major General Mansur and his family and children Lieutenant Colonel Dilawar's wife and children Major Gias and Major Reza started walking across the country side leaving the other mutineers to their fate Major Iazdani and Major Khaled along with remaining mutineers kept on driving their vehicles towards Chittagong. After walking a considerable distance with the help of

local guides and taking rest at intervals from place to place the party of Major General Mansur tired and worn out finally reached the Kulipara of Ashia Tea Garden and took refuge in the house of a tea garden employee at about 2:30 p.m. Here he sent a local to fetch some estates for the family and the children. The local returned soon from the bazaar and reported that he found an Army vehicle in the bazaar in which two Army personnel were arrested with their eyes and hands tied.

The Surrender. Meanwhile food was arranged for the family and children. At about 4 p.m. when Major General Mansur and Major Gias were having food they found themselves encircled by the police party of Hathazari Police Station. Major General Mansur and the other two officers immediately went into hiding the tea garden. The police took charge of the ladies and the children and gave a call for the surrender of Major General Mansur and his two accomplices. Finding no alternative Major General Mansur and Major Reza came out of their hiding and surrendered. The Police searched for Major Gias for sometime and being unable to apprehend him finally left for the Police Station along with the party of Major General Mansur. It was about 5 p.m. when they reached the police station. As soon as the news spread that Major General Mansur had been apprehended a large number of agitated people collected around the Hathazari Police Station.

The Taking Over. At about 5:30 p.m. one officer of East Bengal Regimental Centre alongwith the escort party reached the police station to take over Major General Mansur and others from the police custody. The officer had three vehicles 2 x jeeps and 1 x pickup with him. Major General Mansur was handed over to the escort officer by the police and he was put at the back seat of the jeep while the escort officer put himself in the front seat. Major Reza was put in the other jeep and the families were placed in the pickup. The crowd grew uncontrollable (several thousands as stated by the escort officer and Mr. Maruf Superintendent of Police Chittagong).

The convoy finally started moving towards Chittagong Cantonment at about 8-30 P.M. on 01 June 81 with police assistance. One police truck led the convoy, followed by the jeep carrying Major Reza, the pickup with the families, one police truck then the jeep with the escort officer and Major General Mannur followed by other police transport.

The Epilogue. During the move of the convoy, there were large number of agitated people standing besides the road as such the convoy had to move very cautiously and slowly to avoid any mishap. The convoy entered the Cantonment through Number 2 Military Police Check Post where the police convoy got separated from the military convoy and left for the city. As briefed earlier by the escort officer, the pickup carrying the families went straight to the Star staff house and the jeep carrying Major Reza went straight to East Bengal Regimental Centre. When the jeep carrying Major General Mannur entered the Cantonment the escort officer found troops with arms who were moving around in small groups along the road. This made him more cautious. As the vehicle neared the VIP house the escort officer saw more troops patrolling near the VIP house and East Bengal Regimental Centre officers mess premise. This compelled him to turn the vehicle and move toward the Artillery unit lines and enter the VIP house from East Bengal Regimental

Centre Officer Mess gate via Canteen Store Department Shop. As soon as the jeep reached near the tri-junction in front of the Canteen Store Department Shop a group of about 20 to 30 armed troops stopped the vehicle and asked the officer to allow them to search the vehicle. Before he could say anything, they opened the back door of the vehicle and found the General. They started shouting "Khunukhav Paivachi" and dragged him out of the vehicle. In the meantime the officer got down from the vehicle and pleaded that due justice would be done by the competent authority and they should not do any harm to the General on the spur of moment. But it was in vain. The agitated troops instead of listening to the escort officer pushed him inside the vehicle and threatened him to leave the place at once otherwise they would kill him. All the troops were shouting so loudly that the escort officer's voice went unheard. Being overtaken with fear the escort officer left the place at once alongwith the troops in the jeep and went straight to East Bengal Regimental Centre to report the matter to Brigadier Aziz and Brigadier Latif who were given the responsibility to command and control the mutinous Garrison. On hearing the incident both Brigadier Aziz and Brigadier Latif told the escort officer to go back immediately to the spot with another senior officer with the

instructions to make an appeal to the agitated troops not to harm the General and hand him over to them. Once they reached near the Canteen Store Department shop they found some armed troops standing near the western side of the road and were looking towards something. On the arrival of the officers the troops left the place quickly. The officers got down from the vehicle and found that the General was lying in a drain on the chest. They immediately brought Major General Mannur to Combined Military Hospital where the doctors on examination declared him already dead.

It may be mentioned in passing that the late President was kept informed from time to time about the undesirable activities of Major General M. Abul Mannur. Major General Mannur was called by the late President number of times and admonished to the effect that he must refrain from such activities and mend his ways. At some stage the late President was also cautioned by the head of some concerned agency that the life of the Hon'ble President was apprehended to be under danger due to the sinister activities of Major General Mannur. "If Major General Mannur kill me, he will also be killed by the people" commented the late President Ziaur Rahman. Who then knew that the comment of the late President would turn to be so true.

Basis for Trial

Dacca THE BANGLADESH OBSERVER in English 10 Aug 81 pp 1, 3

(Text)

The Sixth Instalment of the White Paper on Chittagong mutiny and the killing of President Ziaur Rahman issued on Sunday dealt with the constitution of the General Court Martial and extension of defence opportunity to the accused mutineers.

The White Paper also quoted the Army Act and relevant provisions of the act for the trial of mutineers.

The White Paper said that considering the nature and gravity of the offence and the number rank and position of

the offenders the Chief of Army Staff convened a General Court Martial with the following officers to try the offenders. They were from different corps as provided under Army Act's Rule 31.

President of the Court Martial Major General Mohammed Abdur Rahman, PSC. Members are: Brigadier Nasrat Ali Quareshi, Col. Mohammed Mannur Rahman B.P. Col. Mafizur Rahman Choudhury, Lt. Col. Mohammed Masud Ali Khan, Engineers, Lt. Col. M. Maqbul

Haider, Signals and Lt. Col. Mohamed Hossain, ASC.

The White Paper said the following persons were appointed prosecutors: Brigadier Nazirul Aziz Chishti PSC, Col. A.M.S.A. Amin PSC, and Lt. Col. Abu Nayem Amin Ahmed PSC EME. The following officers have been appointed defending officers: Brigadier M. Aswar Hossain, Col. Mohammed Ahsanuddin PSC BP and Lt. Col. Syed Mohammed Ibrahim BP, E. Bengal.

Following is the text of the sixth instalment of *Whose Paper*:

CHAPTER III TRIAL:

Any person subject to Bangladesh Army Act committing a military offence like mutiny or insubordination, disobedience of lawful command or desertion etc. is liable to be tried by Court Martial convened by the convening authority under the Army Act. Further, when a person not subject to Army Act commits an offence which may be military as well as civil in nature, as defined in chapter VII of Bangladesh Penal Code (i.e. abetting mutiny, seducing soldier from his duty, and harbouring deserter etc.) then, in line with the provisions of section 139 of Penal Code he is absolutely liable to be tried under Army Act.

In this case i.e. Chittagong Mutiny, the accused persons, who are all subject to Army Act have been charged under Section 31 of Army Act i.e. mutiny and insubordination, leading to death of the President and it is a military offence of the gravest nature. 'Mutiny' is such a serious offence that, it not only disrupts the Army Command and discipline but also threatens the very existence of the country as an independent and sovereign state.

The offence of Mutiny and Insubordination under Section 31 of Army Act provides:—

Any person subject to this Act who commits any of the following offences that is to say:

(1) beggars, incites, causes or conspires with any other person to cause or joins in any mutiny in the military, naval or air force of Bangladesh or any force operating therewith;

(2) is present at any such mutiny, does not use his utmost endeavour to suppress the same or

(3) knowing or having reason to believe in the existence of any such mutiny or any intention to commit such mutiny or of any such conspiracy, does not without reasonable delay give information thereof to his Commanding or other superior officers; or

(4) attempts to seduce any person in the military, naval or air force of Bangladesh

from his duty or his allegiance to the Government of Bangladesh.

Shall on conviction by Court Martial be punished with death or with such less punishment as is in this Act mentioned.

Unlike civil courts of Bangladesh, the Court Martial (Military Court) are not 'standing' in nature. Therefore, at the time of need, in accordance with the nature of the offence and rank of the offender a court martial is convened by the competent authority. As per note 4 to Army Act's Rule 31 a Court Martial is a 'Criminal Court' and also a 'Court of Justice'. Army Act's Section 133 provides that no remedy shall lie against any decision of such Court Martial. So, for better deliberations and ensuring proper justice, a court martial is generally constituted with more than one but uneven number of members. As per provisions of Army Act and Rules these courts have inherent power to sit 'In camera' considering the security and discipline of the Army.

The Constitution of the Court
In the instant case (Chittagong Mutiny) considering the nature and gravity of the offence and the number, rank and position of the offenders the Chief of Army Staff convened a General Court Martial with the following officers to try the offenders. They were from different corps as provided under Army Act's Rule 31.

President—Major General Mohammad Abdur Rahman psc
Members:—(1) Brigadier Nasrat Ali Quarsi

(2) Colonel Mohammad Maitiur Rahman BP
(3) Colonel Mufizur Rahman Chowdhury.

(4) Lieutenant Colonel Mohammed Masud Ali Khan Engineers.

(5) Lieutenant Colonel M. Maobul Haider, Signals.

(6) Lieutenant Colonel Mohammad Karim ASC

THE PROSECUTION AND DEFENCE

In accordance with the provisions of chapter VII of Evidence Act, in every Court Martial like Criminal Courts, the onus of proving the case lies with the prosecution with the help of all the concerned available witnesses and exhibits. But the provisions of Army Act's Rule 64 makes it mandatory for the prosecution to assist the court in the administration of Justice, to bring the

whole of the transaction before the court and not to take any unfair advantage of, or to suppress any evidence in favour of the accused. Therefore, with this end in view the convening authority detailed the following senior officers of different ranks and corps to Act as prosecutors:—

(1) Brigadier Nazirul Aziz Chisti psc.

(2) Colonel AMSA Amin psc.

(3) Lieutenant Colonel Abu Naveem Aman Ahmed psc. EME.

Army Act's Rule 23 provides that when an accused is remanded for trial by a Courts Martial, he should be provided with summary or abstract of evidence at least 24 hours before he is brought up for trial. Thereafter, he is given proper opportunity to prepare his defence.

Army Act's Rule 18 provides that at the trial accused may be represented either by counsel or by an officer subject to Army Act called 'Defending Officer' of his choice. But in pursuance of the power conferred upon by Army Act's Rule 62 the convening authority may disallow the employment of Counsel to the Defence and Prosecution on the grounds of military exigencies and necessities of discipline. Choice in selecting 'Defending Officer' may also be best suspended on the same ground under Army Act Rule 26.

In this case opportunities were extended to the accused persons for their defence. Defending officers were provided according to availability and the choice of the accused persons. The defending officers were senior officers and have versatility in experience commensurating with their ranks and have earned a good reputation in the Army as defending officers. They are conversant with civil and military laws and have sufficient experience in handling such cases. They were—

(1) Brigadier M. Arwan Hussain

(2) Colonel Muhammad Al-
wazir psc BP.

(3) Lieutenant Colonel Syed
Muhammed Ibrahim, BP, B.
Bengal.

In addition to this indirect counselling by some civilian lawyers to the defending officers were also allowed as per provisions of Military Law and a good number of lawyers offered their counsels at the case in favour and defence of the accused mutineers.

Prosecutor's Address

Dacca THE BANGLADESH OBSERVER in English 11 Aug 81 pp 1, 8

[Text]

The Chief Prosecutor in his opening address to the General Court Martial charged the wrongdoers who staged a mutiny in Chittagong on May 29 and 30 last with violation of law discipline of the Army and oath of obedience. In staging the mutiny the Chief Prosecutor accused, the wrongdoers committed heinous crimes including killing of President Ziaur Rahman and some others who included officers and soldiers of Bangladesh Army.

The address of the Chief Prosecutor published in the second instalment of the Chapter three of the White Paper contained summary of facts relating to the offences committed by the accused persons who staged the mutiny and killed President Ziaur Rahman.

The Chief Prosecutor said that Major General M. A. Manzur plotted to eliminate the late President by any means and put the country under the feet of a government headed by him under the cover of Martial Law and administered by a so-called "revolutionary council". Major General Manzur, the Chief Prosecutor said was a man of sky-high political ambition and was extremely jealous and intolerant of others and suffered from an inherent complex that he was superior to the rest in the Armed Forces as well as in the country.

The Chief Prosecutor said that it had now been surfaced that Major General Manzur was even cruelly critical of Late President and used to pass very unkind remarks and observations about him. The Major General, the Prosecutor said, had diverted more attention and energy towards his political plan to stage the mutiny instead of effectively meeting the insurgency activities in Chittagong Hill Tracts. After the joining of Major General Manzur to 24 Infantry Division as GOC on November 24, 1977, the Chief Prosecutor said, the forces of the Division were augmented and additional battalions and brigades were raised for effectively meeting the insurgency activities in Chittagong Hill Tracts. But, the Chief Prosecutor added, Major Gen. Manzur used to take

personal pride in it as if the forces were his personal forces to be used for fulfilment of his political ambition and aggrandisement. Major General Manzur's catch-words were that the country should be ruled by him and the freedom fighters of his choice along with him for a better rule, the Chief Prosecutor said.

He said that Major General Manzur used to create occasions to address the officers and soldiers under his command for delivery of politic speech. Being an Army officer Major General Manzur used to indulge in group meetings and discussions on political affairs of the country with the observation that nothing is going right in the country and as such it was his duty along with others to take steps for setting things right, the Chief Prosecutor said.

The Chief Prosecutor said that Major General Manzur and his men became busy and active to hatch conspiracy and because of this indolence, the recursive figures in the Chittagong Hill Tracts rose by late 1980. To black out his malicious activities the Detachment Commander of Directorate General of Forces Intelligence Lt. Col. Lal was barred by Major General Manzur from entering into Chittagong Commandant, the Chief Prosecutor said. At the same time he added the Divisional Field Intelligence Unit was fully tasked to assist Major General Manzur in his heinous plan.

The following is the Second Instalment of Chapter III of the White Paper on the Chittagong Mutiny and assassination of President Ziaur Rahman, containing the opening address of the Chief Prosecutor of the General Court Martial.

Note: The opening address by the Chief Prosecutor has got many a repetitions of the report as given earlier. However this opening address has not been curtailed so as to ensure the publication of the prima facie case as presented by the prosecution to the Court.

Chapter III (Continuation)
Opening address by the

Chief prosecutor i

The Hon'ble Court

"I most humbly beg your kind leave to make my opening address in this Court room wherein we have assembled for the administration of justice and upholding without any compromise the discipline and dignity of the Army of Bangladesh and punishment of the wrong doers who have violated the provisions of law discipline of the Army and who are a disgrace to the honourable profession of arms. Among the wrong doers are the accused who not only made mockery of the soldiers' oath of obedience to discipline to provisions of law and military authority but also defied and violated the same in mass perjury causing and staging a mutiny at Chittagong on the night between 29th and 30th May 1981. While causing and staging the mutiny the accused not only committed the offence of mutiny but also committed heinous crimes including killing of Janab Ziaur Rahman late lamented President of the People's Republic of Bangladesh and some others who included officers and soldiers of Bangladesh Army.

"Before submitting a summary of facts relating to the offence committed by the accused persons I would like to give a short background of the tragic and shocking occurrence which had taken place at Chittagong on the night referred to herein above.

"A senior soldier being BA-30 late Major General M. A. Manzur was posted to 24 Infantry Division as GOC who assumed the command of the Division on 24th November, 1977. Prior to his above mentioned posting he was the Chief of the General Staff of the Army wherein he enjoyed considerable powers in the re-organisation of the Army and did not like his transfer from the said post of decision making. After his joining at Chittagong the forces of the Division were augmented and additional battalions and brigades were raised. The raising of the forces under his command was allow-

ed for effectively meeting the insurgency activities in Chittagong Hill Tracts. But said Major General M.A. Manzur used to take personal pride in it as if the forces were his personal forces to be used for fulfilment of his political ambition and aggrandisement.

"Major General M.A. Manzur was a man with sky-high political ambition. He was extremely jealous and intolerant of others and suffered from an inherent complex that he was superior to the rest in the Armed Forces as well as in the country. It has now surfaced that he was even cruelly critical of late President and used to pass very unkind remarks and observations about him.

"This aggressively ambitious person instead of fully meeting the insurgency activities in the Chittagong Hill Tracts gradually diverted more attention and energy towards his political plan which he had been harbouring in himself for a long time.

"Accordingly he plotted to eliminate the late President by any means and put the country under the feet of a Government headed by him under the cover of Martial Law and administered by a so-called "Revolutionary Council". Although the equality of all citizens have been guaranteed and exercised with equal rights under the Constitution of the country, this over-ambitious politician taking the advantage of his uniform and position started indoctrinating and motivating the soldiers and officers in his contact as well as under his command. His catch words were that the country should be ruled by him and the Freedom Fighters of his choice along with him for a better rule. This end must be achieved, according to him by any means including application of force and physical elimination of late President Ziaur Rahman.

With this nefarious design and end in view he moved for the hour of strike as was done on the night between 29th and 30th May last very calculatively. He augmented the force level under his command got officers of his choice posted in key appointments on the primary consideration of their blind loyalty to him and his

philosophy. On different pretexts he used to flout the orders and directives of the Army Headquarters and managed to obtain virtual control of several establishments in his area which were the establishments of the Army Headquarters. While at his request and in appreciation of greater national interest special allocation of funds were made available at his disposal, he used to cash it by saying that he can do things better than the Army Headquarters. While laying the foundation stone of any of the construction of the establishments in his area or celebrating the completion of works he never used to invite any of his superiors and always while opening a new building or a barrack inscribed his name on a marble plaque.

"He used to create occasions to address the officers and soldiers under his command for delivery of political speech. Being an Army Officer he used to indulge in group meetings and discussions on political affairs of the country with the observation that nothing is going right in the country and as such it was his duty setting things right. To black out his such mischievous activities the Detachment Commander of Directorate General of Forces Intelligence Lt. Col. Lais was barred by him from entering into Chittagong Cantonment.

"At the same time the Divisional Field Intelligence Unit was fully tasked to assist him in his heinous plan. With passage of time Major General Mansoor and his other accomplices became quite indifferent towards their actual duties. They became busy and active to hatch conspiracy. Because of this indifference the casualty figures in the Chittagong Hill Tracts by late 1980 rose. As for instance it may be mentioned here that Brigadier Mohsinuddin Ahmed, Commander 69 Infantry Brigade did not visit his main operational Headquarters at Bandarban for about two months. Then suddenly he visited on 28th May last his operational Headquarters to advise some elements of 1 E. Bengal to be prepared and available at Kalurghat bridge on the fateful night of 29th 30th May 1981, covering for taking part in the mutiny.

Address Continues; Amendment

Dacca THE BANGLADESH OBSERVER in English 12 Aug 81 pp 1, 8

[Text]

The second part of the submission of the Prosecution in the Chittagong Mutiny case was issued on Tuesday which stated that Major General M A Manzur and his accomplices conspired to stage the mutiny and kill the President for forcible capturing of power.

The Prosecution submission stated that by the end of 1980 Major General M A. Manzur's attitude towards late President Ziaur Rahman became very apathetic and disrespectful. His conduct during the passing out parade dinner on December 20, 81 is an instance in point.

The plan for a possible mutiny and conspiracy to kill the President was prepared and conceived by Major General Manzur in collaboration with two other architects namely Late Lt. Col. Motiur Rahman and Late Lt. Col. Mahboobur Rahman nephew of Major General Manzur. Other accomplices who rendered assistance to implement the conspiracy include Lt. Col. Delwar Hossain and Major Khaled.

Following is the text of the third instalment of Chapter Three of the White Paper:

"By the end of 1980 Major General M. A. Manzur's attitude towards late President Ziaur Rahman became very much apathetic and disrespectful. His conduct during the passing out parade dinner on 20th December 1980 is a case in point.

The plan for a possible mutiny and conspiracy to kill the President was prepared and conceived by Major General Manzur in collaboration with two other architects, namely, late Lieutenant Colonel Motiur Rahman and late Lieutenant Colonel Mahboobur Rahman, nephew of Major General Manzur. Other accomplices of the above who rendered assistance to implement the conspiracy included Lieutenant Colonel Delawar Hossain and Major Khaled. It was planned and thought necessary by above conspirators along with others to stage the mutiny and kill the President for forcible capturing the State power. The Junior Officers JCO's and other ranks should be won over to their side by focussing the failures of the Government and the miseries and sufferings of the people to them. By exploiting the alleged corruptions in

the Government among the politicians, particularly the Ministers inflation, deteriorating law and order situation, the conspirators thought of achieving their success to misguide the forces in the area and for siding with them as rebels in staging the mutiny and violently overthrowing the legally established Government headed by late President Zia.

"For the success of the conspiracy Major General Manzoor compromised Army discipline and official formalities and began to mix with the officers freely, entertained them in his house including playing cards with them for becoming closer to them. He went on addressing all ranks whenever he got an opportunity to motivate for subscribing to and supporting his political philosophy and plan.

"Towards the end of February, 1981 Lt. Col Delwar was apprised by Lt. Col Moti about two plans of mutiny. His first plan was on 19th December 1980. A passing out parade of the BMA Cadets was due on 20th December 1980. President Ziaur Rahman and other senior Armed Forces Officers were also due to attend the same. It was decided that Major General Manzoor as GOC would host a dinner on 19th December 1980 in the EBRC Officers Mess where all VIP's including the President will be invited. There all of them were then planned to be hauled up. Alternatively, if the President stayed at the Circuit House at Chittagong then two groups were to raid the Circuit House and lift him to the EBRC Parade Ground.

"The next plan was during the Exercise Ironshield amphibious landing which was planned at Cox's Bazar. It was decided that the said landing should be witnessed by late President Ziaur Rahman, Services Chiefs and other senior Officers. The plan was to lift the President and other senior Officers to East Bengal Regional Centre Parade Ground and forcibly ask the President to accept their demands which included, among other formation of a Revolutionary Council, abrogation of the Constitution and no election for

three years and no political activities during that period.

"Major General Manzur continued with his plan to motivate the Officers Junior Commissioned Officers and other Ranks and kept on addressing them on every opportunity. The last such address he delivered was on 23rd May 1981 at the Hathazari Long Range where Divisional Anti-Tank Cadre was being run. Instead of talking about their profession and performance he dwelt at length all aspects which were political and objectionable. For building up his so-called personal image as an intellectual he became the chief patron of an organisation operating under the name and style "The Trend Setters".

"This clandestine organisation is headed by a student of the Chittagong University and this organisation organised a seminar on 10th May, 1981 which was presided over by Major General Manzur and the seminar was aimed at popularising the so called political philosophy of Major General Manzur. Interestingly the President of "The Trend Setters" named Mr Ziaur Rahman as mentioned above met the rebel Major General Manzur on 29th May 1981 at about 8 P.M. in his office and thereafter on 30th May 1981 this Ziaur Rahman carried a coded message connected with the mutiny to other places.

Amendment White Paper released on 06 August 1981:

"Government attention is drawn to a portion of the content of the White Paper which deals with the deployment of Police personnel for the security of the Circuit House. The columns of the appropriate headings should read as follows" "Total number of persons available for deployment" instead of "Number of persons to be posted" and "Actual number posted on shift duty" instead of "Actual number posted". The first sentence following the table should read "It will be seen out of 127 uniformed Police men and 39 plain clothed Special Branch Personnel were posted on shift duty for the security of the President". Instead of existing sentence.

Further Report on Address

Dacca THE BANGLADESH OBSERVER in English 12 Aug 81 pp 1, 8

[Text]

The Third Instalment of Chapter III of the White Paper on Chittagong Mutiny leading to the assassination of President Ziaur Rahman containing the submission of the Chief Prosecutor issued on Wednesday stated that the disastrous decision to stage the mutiny and kill President Ziaur Rahman was taken at a meeting at the GOC's office on May 29 (Friday) after Juma prayer. The meeting was attended by Major General Manzur Lt. Col. Mahboobur Rahman and Major Khaled. The Chief Prosecutor submitted that late Major General M A Manzur asked the above officers to act and added "now is the time to act". He further asked them not to deploy troops and instead asked them to engage only selected officers to go to the Circuit House and thereafter he enquired about Lt. Col. Motiur Rahman. Both Lt. Col. Mahtab and Major Khaled assured the GOC that Lt Col Motiur Rahman would be back in time.

Thereafter a meeting was held at the residence of Lt. Col. Delawar where the modalities of the mutiny was worked out among the top conspirators, namely Lt. Col. Mahboobur Rahman Lt. Col. Motiur Rahman Lt. Col. Fazle Hussain Lt. Col. Delawar Major Khaled Major Latif and Major Iazzani. It was in this meeting that the tasks to be performed during the mutiny were allotted. The meeting took place at 6 p.m.

The White Paper said that the tactical headquarters of 24 Infantry Division which was located in Rangamati was dramatically shifted to Chittagong Cantonment on May 5 along with entire staff headed by Lt. Col. Motiur Rahman for causing and successfully staging the mutiny and capture state power.

The tragic assassination of President Ziaur Rahman on staging the mutiny is one of the shocking and ugliest acts which is universally condemned and this along with the mutiny was engineered at Hattiquar

tors 24 Infantry Division by its aforesaid Commander and a few of his trusted accomplices, namely, Lieutenant Colonel Mahboobur Rahman, Lieutenant Colonel Motiur Rahman and Lieutenant Colonel Delawar. After hatching plot by the aforesaid architects and their other accomplices various steps and administrative actions were taken by late Major General M. Abul Manzur for preparing the stage ready to cause the mutiny on 29 through the mutineers to forcibly overthrow the legally established Government of President Ziaur Rahman and capture State power for the fulfilment of his greed and political ambition and also of his accomplices. The troops disposition affected by General M. Abul Manzur and his accomplices as available prior to mutiny and tragic assassination of President Ziaur Rahman and others as mentioned above, clearly surfaced that the conspirators and the mutineers in a calculated way took preparations for materialisation of their dangerous design.

Although all officers and the troops of Bangladesh Army are one, but this group of politically ambitious adventurists tried to create a separate community and grouping in the Army and thereby destroy unity, discipline and brotherhood among the troops. Major General M. Abul Manzur over a period of time managed to get his trusted officers like Colonel Nawazish, Colonel Rashid, Lieutenant Colonel Delawar and others posted at all important positions in his area and called them for loyalty to his politics in the name of protecting and promoting their interest. Such actions were contrary to the provisions of law and cause of unity and oneness in Bangladesh Army. Such propaganda was spread by the above mentioned conspirators in other places also with a view to lining them up behind the conspirators as mentioned above who staged the mutiny at Chittagong. Some of the Officers who were not posted at Chittagong

were won over by the conspirators to support their conspiracy and participate in staging the mutiny such as Major Moin of Schrol of Infantry and Tactics. Last two officers performed some assigned tasks in causing and staging the mutiny while Major Zahid worked as courier of Major General Manzur. Major Moin illegally took over the command of Rear 17 East Bengal Regiment in Chittagong Cantonment on 29 May 81.

The conspirators made concentration of promutineers in Chittagong Cantonment in connection with an examination for promotion from the rank of Captain to Major. Although the examination ended on 26th May 81 they were detained on the plea of Preventive Main tenance Cadre to be held from 27th 1981.

Evidence revealed that most of the officers who took part in the assault at the Chittagong Circuit House were drawn from among these Officers. It has also been found that who suspected not to support the mutiny or loyal to nefarious design of Major General Manzur were kept outside Chittagong Cantonment and kept away deep in the Hill Tracts engaged in Counter Insurgency operation.

A strong rumour at massive level was spread during last week of May 81 in Chittagong Cantonment that a plan has been prepared to eliminate all Freedom Fighters particularly in Chittagong by the repatriated Officers and Lieutenant Colonel Motiur Rahman claimed

to have discovered the conspiracy and the blue print. They fanned this rumour and appealed to the promutineers to counter it or face liquidation. The motive and the purpose of the rumour was to instigate the Freedom Fighters to come on a platform with the mutineers & rise along with the conspirators for the fulfilment of their design. This rumour gained its optimum intensity by 25th May 81 which was followed by the tragic incident.

The posting order of Major General Manzur from Chittagong to Dacca as Commandant of Staff College was also misinterpreted and capitalised by the

mutineers who exploited it by distorting the transfer order saying that this was the last blow to the interest of the Freedom Fighters and Major General Manzur was the last Freedom Fighters General Officer Commanding who according to them was removed from the command with ill motive although he was posted out after completion of normal tenure in command. From evidence it revealed that this propaganda of the conspirators and the mutineers did work to some extent. The mutineers completed the necessary works and finalized various arrangements to stage the mutiny according to their conspiracy and the arrangements were made between 29th and 30th May, 1981.

Prior to staging the mutiny it was found that Brigadier Mohsin and Major Khaled who were absent from their Brigades Headquarters at Bandarban for weeks together and stayed in the Headquarters of the Division at Chittagong, suddenly visited Bandarban unannounced on 29th May 1981. During their visit to Bandarban both Brigadier Mohsin and Major Khaled ordered to keep a company of troops stand by for some internal security duty at Kajurhat. During the night on 29th May, Lt Major Khaled wanted over telephone to move the Company. Finally two Platoons with Major Fazlul Huq Lieutenant Motiur Rahman and Captain Ghias arrived at Kajurhat bridge. It was found that these troops were meant for contingency requirement for Chittagong Circuit House operation although they were briefed for Internal Security duty.

During the night of 29 May 1981, the Headquarters of 65 Infantry Brigade commanded by Colonel Rashid was the centre of many mysterious activities. Both Colonel Rashid and Colonel Nawazesh (Commander of 302 Brigade) stayed in this Brigade Headquarters and made it as the Headquarters of the mutiny of that night. They were commanding and coordinating the activities from there. Major Iazzani and Major Quayum remained quite active there during the night of mutiny and Lieutenant Colonel Delawar went to the said Brigade Headquarters in his white car and waited till morning to shift the casualties of the assault

group to Combined Military Hospital. During the entire period of the mutiny at night an intense briefing and instructions went on in the office of Major Khaled, Brigade Major of Infantry Brigade which was visited by most of the conspirators. Their movements were witnessed by many. At 1 stage a group of officers shifted to a culvert near the Brigade Headquarters. The said group included Lieutenant Colonel Motiur Rahman Lieutenant Colonel Mahboobur Rahman, Major Khaled, Major Shaukat and Captain Iqbal.

For causing and successfully staging the mutiny and capture state power the Tactical Headquarters of 24 Infantry Division which was previously functioning at Ranamati was dramatically shifted to Chittagong Cantonment on 30th May, 1981 along with entire staff headed by Lieutenant Colonel Motiur Rahman and after the shifting of Tactical Headquarters to Chittagong the activities of the conspirators and mutineers were intensified.

On Friday, the 29th May 1981 after Juma prayer Major General Manzur, Lieutenant Colonel Mahboobur Rahman, Major Khaled assembled in the office of the General Officer Commanding. During that meeting the disastrous decision for staging the mutiny and kill President Ziaur Rahman was taken. Late Major General Manzur asked them to act and added "Now is the time to act". He further asked them not to deploy troops and instead asked them to engage only selected officers to go to the Circuit House and thereafter he enquired of Lieutenant Colonel Motiur Rahman. Both Lieutenant Colonel Mahboobur Rahman and Major Khaled assured the General Officer Commanding that Lieutenant Colonel Motiur Rahman would be back in time.

Thereafter a meeting was held in the residence of Lieutenant Colonel Delawar where the modalities of the mutiny was worked out among the top conspirators, namely, Lieutenant Colonel Mahboobur Rahman Lieutenant Colonel Motiur Rahman, Lieutenant Colonel Fazle Hussain Lieutenant Colonel Delawar, Major Khaled, Major Latif and Major Iazzani. It was in this meeting that the tasks to be performed during the mutiny were allotted. Major Maruf of 5 Signal Battalion joined in this meeting late and was given the task of severing communication with Dacca next morning, that is, 30 May 1981. The meeting took place at 6 p.m. It is interesting to note that during this period the leave of some officers who participated in the mutiny were cancelled.

Continuation of Statement

Dacca THE BANGLADESH OBSERVER in English 14 Aug 81 pp 1, 12

[Text]

The fifth instalment of Chapter III of the White Paper on the Chittagong mutiny and the assassination of President Ziaur Rahman issued on Thursday containing the chief prosecutor's address stated that the mutineers were briefed inside the Chittagong Cantonment and oath-taking was conducted for successful staging of the mutiny. The first venue of the oath-taking was second in command's office of 28 E. Bengal at 11.30 p.m. on May 29 last. The briefing and oath-taking were conducted there by Lt. Col. Matiur Rahman. The second venue of the oath-taking was commanding officer's office 6 E. Bengal at 30 minutes past midnight on May 30. The briefing and oath-taking here were conducted by Lt. Col. Shah M. Fazle Hossain.

Following is the fifth instalment of Chapter III of the White Paper on assassination of President Ziaur Rahman and Chittagong mutiny. The instalment relates to continuation of opening statement of the Chief Prosecution Counsel.

Inside the Chittagong Cantonment the briefing and oath-taking were conducted for successfully staging the mutiny as stated above and those were conducted in two different venues.

The first venue was Second in Command's office of 28 E Bengal and the time was 11.30 PM. The briefing and oath was conducted there by Lt. Col. Matiur Rahman and the officers present were:— Lt. Col. Mahbubur Rahman, Major Mominul Haque, Major Gias, Capt. Manir, Capt. Jamil, Capt. Ghias, Capt. Mainul. The second venue was Commanding Officer's office 6 E Bengal at 30 minutes past midnight. The briefing and oath-taking was conducted by Lt. Col. Shah M. Fazle Hossain. The officers present were:—

Lt. Col. Mahbubur Rahman, Lt. Col. Matiur Rahman, Major Dost Mohammad, Capt. Arfin, Capt. Rafique, Capt. Ilyas, Lt. Musiehuddin.

The final hour of the tragic drama struck as the parties of the mutineers set off to Public School Road towards Kalurghat bridge at about 1.30 a.m. on the fateful night of 29th-30th May, 1981. The conspirators started reaching Kalurghat by 2 a.m. on 30th May. First to reach were:—

Lt. Col. Mahbubur Rahman, Lt. Col. Matiur Rahman, Major Muzaffar and Capt. Syed Md. Munir in a white Toyota Car. After some time came Lt. Col. Fazle Hossain Commanding Officer 6 E. Bengal with the following officers/JCOs in 1 X Jeep and 2 X Pickup:—

1. Capt. Mohammed Ilyas, 6 E. Bengal; 2. Capt. Md. Abdus Sattar, 6 E. Bengal; 3. Lt. Rafiqul Hossain Khan, 6 E. Bengal; 4. Lt. Mosleuddin Ahmed, 6 E. Bengal; 5. Sub. Sazzur Rahman, 6 E. Bengal; 6. Capt. Jamil Huq, 21 E. Bengal.

They also brought 1 X Hand Launchers, 11 X SMGs and 3 X Rifles. Major Gias Uddin acting Commanding Officer 11 E. Bengal; Major Kazi Mominul Huq, Second-in-Command, 28 E. Bengal and Capt. Salahuddin of 11 E. Bengal reached together in a convoy of two Jeeps and one pick up. Last of all came Major S. M. Khaled, Brigade Major 69 Infantry Brigade followed by Major Fazlul Huq Second in Command, 1 E. Bengal; Capt. Giasuddin, Staff Capt 69 Infantry Brigade and Lt. Motiur Rahman Adjutant 1 E. Bengal.

Troops were also brought from Bandarban by Major Fazlul Huq for the operation at the Circuit House. Magazines of SMGs and LMGs were filled. Rockets and Grenades were fitted in the Grenade Firing Rifles by the Officers. Lt. Col. Motiur Rahman briefed mutineers present at Kalurghat and briefed them about the details of the plan of the mutiny and President's assassination with a sketch map of the Circuit House and after conducting oath to them he grouped them into three groups. Each group

was further briefed by him separately. Grouping and tasks distributed to each group were as follows:—

a. FIRST GROUP

(1) Persons

(a) Lt. Col. Mahbubur Rahman, (b) Lt. Col. Fazle Hossain, (c) Maj. S. M. Khaled, (d) Capt. Jamil Haq, (e) Capt. Md. Abdus Sattar, (f) Lt. Rafiqul Hossain Khan.

(2) Tasks (a) Once the pick up will cross the main gate of the Circuit House Lt. Col. Fazle Hossain will fire his Rocket Launcher at the main door of the ground floor. (b) Simultaneously Lt. Ranque and Capt. Sattar will fire grenades from the Grenade Firing Rifles towards the Circuit House and Capt. Jamil will spray the area with 7.62 mm LMG fire. (c) On reaching the portico they will rush to the first floor with SMGs and go for the room each one assigned to.

(3) Distribution of rooms (Sketch Appendix—)

(a) Room No. 7—Capt. Jamil Haq (b) Room No. 8—Lt. Rafiqul Hossain Khan (c) Room No. 9—(assumed as Presidential suite)—Lt. Col. Fazle Hossain and Capt. Abdus Sattar.

(4) Transport. 1 x Pick up to be driven by Lt. Col. Mehboob.

(5) Commander. Lt. Col. Fazle Hossain.

b. 2ND GROUP

(1) Persons:

(a) Lt. Col. Matiur Rahman (b) Maj. Mominul Haque (c) Maj. Muzaffar Hussain (d) Capt. Salahuddin Ahmed (e) Capt. Md. Ilyas (f) Lt. Mosleuddin.

(2) Task. To stop outside interference while first party went for the President.

(3) Transport. 1 x Pick up to be driven by Lt. Col. Moti.

(4) Commander. Maj. Mominul Haque.

c. 3RD GROUP

(1) Persons:

(a) Maj. Gias Uddin (b) Maj. Fazlul Haque (c) Capt. Ghias Uddin Ahmed (d) Capt. Syed Md. Munir.

(2) Tasks. To act as cut off party near Almas Cinema hall behind the Circuit House and shoot if any one wanted to escape from the Circuit House.

(3) Transport. 1 x Jeep

(4) Commander. Maj. Gias Uddin.

Killing Described

Dacca THE BANGLADESH OBSERVER in English 15 Aug 81 pp 1, 12

[Text]

The sixth instalment of Chapter III of the White Paper gave detailed account of how the mutineers brutally killed President Ziaur Rahman at the Chittagong Circuit House, reports BSS.

The White Paper said that the mutineers after being briefed by Lt. Col. Matiur Rahman reached the Circuit House. The first group rushed to the first floor of the Circuit House and fired indiscriminately. In the upstairs Lt. Col. Matiur Rahman was running in all directions looking for the President and ultimately found him in room number five of the Circuit House. While Lt. Col. Moti and Capt. Sattar started kicking the locked door of room No. 5 President Ziaur Rahman opened the door and came out. The mutineers fired upon President Ziaur Rahman who died instantaneously. Even after his death his face was turned upwards by Lt. Col. Matiur Rahman who emptied a complete magazine on him, the White Paper added.

After the assassination of the President Major General Mr. Abul Manzur announced the formation of a revolutionary army.

Following is the sixth instalment of Chapter III of the White Paper on the assassination of President Ziaur Rahman and Chittagong mutiny:

The mutineers after briefing by Lt. Col. Matiur Rahman reached the Circuit House. All the groups who were briefed and detailed moved accordingly and participated in the mutiny and the assault. Everything went as the plan of the mutineers. Lt. Col. Fazle Hussain fired his Rocket Launcher followed by the grenades of the GF Rifles and simultaneous fire from LMGs and SMGs. The first group rushed to the first floor of the Circuit House and fired indiscriminately in

course of which Lt. Col. Fazle Hussain was hit by a bullet due to which he could not reach the stair case. Capt. Jamil was also hit during indiscriminate shooting. The group responsible for the ground floor portion also went upstairs and joined the first group. In the upstairs Lt. Col. Moti was running in all directions looking for the President and ultimately found him in Room No. 5 in the Circuit House. While Lt. Col. Moti along with Capt. Sattar started kicking the locked door of Room No. 5. President Ziaur Rahman opened the door and came out. At that stage the mutineers in the upstairs rushed towards the door of Room No. 5 and fired upon President Ziaur Rahman who died instantaneously. Even after his death his face was turned upwards by Lt. Col. Motiur Rahman and he emptied a complete magazine on him. Thereafter he gave a withdrawal call.

As per call the mutineers hurriedly withdrew along with their wounded fellow mutineers. The wounded mutineers were taken to CVE wherefrom Lt. Col. Dewar went to the residence of Major General Manzoor and informed him about their operations.

One group of mutineers led by Lt. Col. Mahbub went to Aerabad Radio Station from the Circuit House along with Major Khaled, Capt. Sattar and Lt. Rafique. By disarming police sentries they took over the control of the Radio Station.

The third group of mutineers who took position in front of Almas Cinema Hall went straight to Bandarban while both the groups who entered in the Circuit House left. They dropped Major Fazlu and Capt. Ghyas at Bandarban and returned to Chittagong in civvies with the civil car of Lt. Col. Mahbub. During the operation in the Circuit House the mutineers killed the officers

and Seboys of Bangladesh Army who accompanied President Ziaur Rahman and were present in the Circuit House.

After receiving the information from Lt. Col. Dewar, Major General Manzoor went to the office of 6 E. Bengal and found Second in Command of 6 E. Bengal Major Dost Mohammad Shikder and ordered him to send two platoons of troops to the Military Police gates and Signal Centre for disconnecting the telephone lines and local protection of the Signal Centre. He also ordered two Companies of 6 E. Bengal to move to Shuvapur bridge for taking up defence against possible attack of the loyal forces from Comilla. Capt. Ilias and Lt. Mosleh of 6 E. Bengal along with the troops left for Shuvapur at about 9.30 hours of 30th May, 1981 and took position near Shuvapur bridge and new bridge on Feni River.

Major General Manzoor thereafter ordered all officers available in the Division Headquarters to come to his office immediately. There he disclosed that President Ziaur Rahman has been killed and a "Revolutionary Council" has been formed. In the morning on 30th May Civil and Police Officers of Chittagong Civil Division also arrived at the 24 Infantry Division Headquarters at his call and met Major General Manzoor who briefed them about the killing of President Ziaur Rahman and formation of "Revolutionary Council."

On 30th May, 1981 throughout the day the above mentioned late leader of the mutiny and his other infamous and notorious accomplices were in enthusiasm and quite active in visiting different offices and passing down orders in the Cantonment Headquarters at Chittagong and also prepared a chart for deployment of troops for defending the mutiny.

Plotters Charged

Dacca THE BANGLADESH OBSERVER in English 16 Aug 81 pp 1, 16

[Text]

The seventh instalment of Chapter III of the White Paper containing the submission of Chief Prosecutor released on Saturday contended that the judgement on Chittagong mutiny and the killing of President Ziaur Rahman should be just and fair based on evidence which will in future be like "a sword of Democracy that will ever-lastingly hang over the heads of those who make another attempt to disturb the tranquillity of the Army and the people and plunge the society into violence".

The Chief Prosecutor submitted that the case is a fit one where the honourable Court is expected to be noble, wise and upright for pronouncing the judgement against the offenders who are guilty of committing crimes against order and discipline of the Army, security, peace and tranquillity and independence and sovereignty of the country.

"Let after the pronouncement of the judgement by this honourable Court every one say remember the lessons of history. Do not forget the Chittagong trial" the Chief Prosecutor added.

The Chief Prosecutor had accused 31 Army officers of committing the mutiny at Chittagong on May 30 and assassination of President Ziaur Rahman and others and pleaded death penalty for them.

ENA adds: He said the arms and ammunition provided by the state with public exchequer for their defence were used by the accused mutineers against the Government and Head of the State. Hence for the offences the accused persons committed no punishment including capital sentence is considered to be adequately deterrent but yet "I demand that the accused persons be punished with death" he added.

The charges on three counts against the accused are causing a mutiny in the military forces of Bangladesh joining a mutiny in the military forces of Bang-

ladesh and inciting a mutiny in the military forces of Bangladesh.

Following is the seventh instalment of Chapter III of White Paper on the assassination of President Ziaur Rahman and Chittagong mutiny:

On 31st May, 1981 the leader of the mutiny made several addresses to the troops and other officers in the Chittagong Cantonment urging them to support the Revolutionary Council but the response from the troops was very poor and cold. Some leaders of the mutineers including late Major General M. Abul Manzur also addressed on 31 May 81 a cross section of civil officers of Chittagong and asked for support and loyalty from them to his Revolutionary Council and not to listen to Dacca Government. The mutineers also directed Regional Director, Radio Bangladesh Chittagong to comply with their instructions and asked Bangladesh Bank at Chittagong to act as Reserve Bank. With the passage of time it was found that despite frantic efforts the mutineers failed to get support from different formations and sections of people. By the night of 30th May 81 and also by 31 May 81 the troops and many officers started not only realising the nefarious design of the conspirators and the mutineers but also started defecting. They realised the sinister crime committed by the conspirators and the mutineers who are present in the dock as accused in this Hon'ble Court and they committed such a crime which no army worthy of its name can think of. These conspirators and mutineers who are not only guilty of disloyalty, disobedience, insubordination and breach of discipline but also are guilty of committing a crime against the country and the people. They have virtually waged a war against the people of Bangladesh and legally constituted/established Government.

The arms and ammunition provided by the State with public exchequer for their defence were used by the accused mutineers against the Government of the Republic and Head of the State. The mutiny was directed by the accused per-

sons against the discipline and order of the army and also aimed at causing destruction of the properties of the Army and the State. Hence for the offences the accused persons committed no punishment including capital sentence is considered to be adequately deterrent but yet I demand that the accused persons be punished with death.

I shall not make the address lengthy to save the precious time of the Hon'ble Court since the shocking and shameful heinous crimes committed by the accused persons will be brought before this Court and established beyond any reasonable doubt by adducing evidences from records, confessions and depositions of the witnesses for the prosecution.

In this context I beg to be permitted to enumerate the charges framed against the following accused persons:

GROUP—I

1. BA—185 Brigadier Mohsin Uddin Ahmed, BB, psc (Ex-Commander 49 Infantry Brigade)

2. BA—301 Lieutenant Colonel A. Y. M. Mahfuzur Rahman, BB ((Ex-Personal Staff Officer to the President)

3. BA—200 Major Nawazish Uddin (Ex-Commander 305 Infantry Brigade)

4. BA—212 Major M. A. Rashid, BP, psc (Ex-Commander 65 Infantry Brigade)

5. BA—400 Major Mohammad Dilawar Hussain BP (Ex-ADOS 24 Infantry Division)

6. BSS—723 Captain A. Z. Giasuddin Ahmed (Ex-Second-in-Command II East Bengal Regiment)

7. BSS—839 Captain Rowshan Iazdani Bhuiyan, BP (Ex-Brigade Major, 65 Infantry Brigade)

8. Bt—1167 Lieutenant Md. Moflibur Rahman (Ex-Officer Commanding, 575 Field Intelligence Unit)

9. BSS—1177 Lieutenant Md. Maruf Rashid (Ex-Officer Commanding, 112 Signal Company)

10. BSS—700 Captain Abdul Qavvum Khan (Ex-Brigade Major, 203 Infantry Brigade)

11. BSS—724 Captain Shaukat Aliyev, BP (Ex-Second-in-Command 13 East Bengal Regiment)

12. BSS—842 Captain Mohammad Latiful Alam Chowdhury

(Ex-General Staff Officer-3 (Intelligence) 24 Infantry Division)

13. BSS-815 Captain Md. Pazul Haque (Ex-Second-in-Command 1 East Bengal Regiment)

14. BSS-803 Captain Kazl Mominal Haque (Ex-Second-in-Command, 23 East Bengal Regiment.)

15. BSS-1109 Lieutenant Mohammad Rezaul Karim (Ex-D/DO/S, 24 Infantry Division)

16. BSS-1070 Lieutenant Md. Abduzz Sattar (Ex-6 East Bengal Regiment)

17. BSS-1194 Lieutenant Mohammad Hayas (Ex-6 East Bengal Regiment)

18. BSS-1334 Lieutenant Ghias Uddin Ahmed (Ex-General Staff Officer-3 "Operation", 69 Infantry Brigade)

19. BSS-1307 Lieutenant Sved Md. Munir (Ex-General Staff Officer-3 "Intelligence" 24 Infantry Division)

20. BSS-1526 Lieutenant Jamil Haque (Ex-21 East Bengal Regiment)

21. BSS-1563 Lieutenant Salah Uddin Ahmed (Ex-East Bengal Regiment)

22. BSS-1743 Lieutenant Mohammad Rafique Hassan Khan (Ex-6 East Bengal Regiment)

23. BSS-1935 Lieutenant Moshle Uddin Ahmed (Ex-6 East Bengal Regiment)

24. BJO-26940 Subedar Sardar Rahman (Ex-6 East Bengal Regiment) All are Charged with:-

FIRST CHARGE

Causing a mutiny in the military forces of Bangladesh.

In that they,

at Chittagong, between night 29/30 May and 01 June 1981, along with Major General Abul Mansur and others caused a mutiny in the Bangladesh Army leading to the death of Lieutenant General (Reid) Ziaur Rahman, BU, pac Hon'ble President of Bangladesh, and members of the personnel aide to the President Lieutenant Colonel A F M Moinul Ahsan, Captain Ashraful Haq Khan, Md Abu Taher, Senoy Abul Quashem, Sepoy Abdur Rouf, Sepoy Shah Alam, Constable Dulal Mish and others at the Chittagong Circuit House.

SECOND CHARGE

Joining a mutiny in the military forces of Bangladesh.

In that they,

at Chittagong, between night 29/30 May and 01 June 1981, joined in the mutiny as alleged in the particulars to the first charge.

THIRD CHARGE

Inciting a mutiny in the military forces of Bangladesh

In that they, at Chittagong, between night 29/30 May and 01 June 1981, incited the under command officers and troops to join the mutiny as alleged in the particulars to the first charge by spreading rumours that freedom Fighters were to be killed by repatriated officers or words to that effect and other mutiny statements.

GROUP-II

1. BSS-47 Captain Dowd Md. Hamidul Sikder (Ex-Second-in-Command 9 East Bengal Regiment)
2. BSS-705 Captain Mohammad Mustafa (Ex-Deputy Assistant Adjutant and Quartermaster General, 69 Infantry Brigade)
3. BSS-1550 Lieutenant M M Iqbal (Ex 15 East Bengal Regiment)
4. BSS-1573 Lieutenant Md. Mamul Islam (Ex 28 East Bengal Regiment)
5. BSS-100774 Captain Md. Samsul Arifin, Army Medical Corps (Ex-Regimental Medical Officer, 6 East Bengal Regiment)
6. BA-1730 Lieutenant A T M Mesbah Uddin Sernabat (Ex 11 East Bengal Regiment)
7. BSS-1780 Lieutenant Md. Motiur Rahman (Ex 1st East Bengal Regiment).

All are charged with:-

FIRST CHARGE

Joining a mutiny in the military forces of Bangladesh.

In that they,

at Chittagong, between night 29/30 May and 01 June 1981, along with others joined in a mutiny caused in the Bangladesh Army leading to the death of Lieutenant General (Reid) Ziaur Rahman, BU, pac the Hon'ble President of Bangladesh and members of the personal aide to the President Lieutenant Colonel A F M Moinul Ahsan, Captain Ashraful Haq Khan, Md Abu Taher, Sepoy Abul Quashem, Sepoy Abdur Rouf, Senoy Shah Alam, Constable Dulal Mish and others at the Chittagong Circuit House.

SECOND CHARGE

Knowing the existence of a mutiny in the military forces of Bangladesh and not without reasonable delay giving information thereof to his superior officer.

In that they,

at Chittagong Cantonment, on night 29/30 May 1981, having full knowledge of the existence

of a mutiny in the Bangladesh Army failed to give information thereof to their commanding superior officers by appropriate authority.

Witnesses will be tendered by the prosecution for adducing evidences to establish the charges against the accused persons during the course of trial.

While concluding my address I would like to emphasize before this Hon'ble Court that the crimes committed by the accused persons who are present before the Hon'ble Court do not stand any chance of mercy or being condoned. The conspiracy planned by these conspirators and the mutiny caused and staged by these experts causing even destruction of properties and bloodshed must be given exemplary punishment. These mutineers were soldiers and as soldiers they took solemn oath to protect and preserve the discipline, dignity and the honour of the armed forces and not to indulge in activities which are prejudicial to the interest of the people and the country and jeopardise the independence and sovereignty of Bangladesh. But the accused persons condoned and acted against such norms, principles, customs and conventions and provisions of law. They also played with the fate of the entire nation for realising their political ambition and selfish ends. Due to the role played by the people and the Armed Forces of the country along with other institution of the Government, the dangerous scheme of these over ambitious elements did not succeed. Thanks to Almighty Allah.

If the conspirators would have succeeded, the country and the people would have paid very dearly. Independence and sovereignty of the country would have been at stake.

We are opening the trial of such a case for establishment of which much pains and a long time will not be required. There are confessional statements of some of the accused persons recorded in accordance with the provisions of law, documentary proofs and dependable corroborative evidences. Therefore, it is hoped that the learned Defending Officers of the accused will soon find and agree with us that there is nothing left or available to deny the charges and contest the case.

of the prosecution. The accused are fully aware of their activities perpetrated by them and the crimes committed and as such we are sure that they also do not have materials to differ with the prosecution and to pray for acquittal. After all it is such a case wherein acquittal or mercy is in concern.

It is a fit case where the Hon'ble Court is expected to be noble, wise and upright for pronouncing the judgement against the offenders who are guilty of committing crimes against order and discipline of the army, security, peace and tranquillity and independence

and sovereignty of the country. Therefore, the judgement should be just and fair based on evidences which will in future be like "a sword of democracy that will ever lastingly hang over the heads of those who make another attempt to disturb tranquillity of the Army and the people and plunge the society into violence".

Let after the pronouncement of the judgement by this Hon'ble Court everyone say "Remember the lessons of history. Do not forget the Chittasong Trial".

While concluding I thank the Hon'ble Court for kindly hearing my address.

[No further report on the White Paper has been contained in papers received through 31 August 1981.]

CSO: 4220/7693

PRESS NOTE RESPONDS TO FREEDOM FIGHTERS' STATEMENT

Dacca THE BANGLADESH OBSERVER in English 5 Aug 81 p 1

[Text] A Press Note issued on Tuesday said that the Government attention has been drawn to a statement made by three Freedom Fighters organisations.

The statement had urged the Government to take a compassionate view of the officers involved in the killing of President Ziaur Rahman for their contribution to the War of Liberation. The statement had stated that if any interested quarter wants to use the trial for their self-interest it would bear grave consequences.

The Press Note said the Government cannot take such motivated and false statement aimed at jeopardising the fair trial lightly. The Press Note said it must be known to all that all Freedom Fighters are respected persons. But all are equal before the eyes of law. The Press Note further said the entire nation had demanded a fair trial for the killing of late President Ziaur Rahman who was himself a Freedom Fighter.

The Government Press Note said two army officers four soldiers a number of policemen and some civilians were also killed along with the late President. There was no question of considering any of the accused persons above law, the Press Note asserted. All will face equal judicial process.

The Press Note said that the joint statement would only strengthen the hands of the conspirators. All the under trial persons are the members of the armed forces. It further said all of them are being tried under the provision provided in the Constitution and under Army Act. All the persons are accused of serious charge of mutiny. There are Freedom Fighters and non-Freedom Fighters among the accused persons. The Press Note said among the accused there is a person who is the son of a senior army officer. During mutiny there were a large number of officers and jawans in Chittagong Cantonment who participated in the Liberation War and who could not. Only those against whom a *prima facie* case has been established through an impartial and fair investigation have been put on trial.

The Press Note further said that the Army Act was not an exception in Bangladesh. The Army Act is prevalent all over the world. The discipline is imposed on army personnel strictly everywhere, the Press Note added. The Press Note

said it is imperative to have special provisions for maintaining discipline in the army who are ever ready to sacrifice their lives for the nation. The Army Act is prevalent all over the world equally irrespective of the system of government the note said.

All members of the country's armed forces are patriot and dedicated souls for the preservation of independence. The Press Note said the joint statement issued by the three Freedom Fighters' organisations was aimed at dividing the nation and the armed forces. The Government has warned not to issue such motivated anti-people and divisive statements in future.

CSO: 4220/7694

NEW HIGH COMMISSIONER TO ZIMBABWE APPOINTED

Dacca THE BANGLADESH OBSERVER in English 28 Aug 81 p 12

[Text] The government has decided to appoint Mr S. R. Karim at present Economic Minister in the Permanent Mission in Geneva, as High Commissioner for Bangladesh to the Republic of Zimbabwe, says an official announcement, reports BSS.

Born in 1930 Mr Karim obtained BA Honours degree in English Literature from Dacca University, Master's degree in English Literature from Dacca University, Master's degree on Development Economics from Manchester University and Master's degree in Public Administration from Oxford University. He also obtained a degree in Bengali Literature from Vishwa Bharati University at Shanti Niketan, India.

Mr Karim joined erstwhile Civil Service of Pakistan in 1952. He served in various capacities under the then Government of Pakistan and served as Economic Minister in the Bangladesh High Commission in London as well as in the Embassy in Washington.

He led many delegations to India, Brazil, Colombo, Geneva, the Netherlands, the United Kingdom, the USA, Canada and Arusha (Tanzania).

He is presently posted as Economic Minister in the Permanent Mission of Bangladesh to the UN offices at Geneva. He is the spokesman of the Group of 77 for the Least Developed Countries since the Arusha and UNCTAD V conferences.

Mr Karim takes keen interest in cultural activities. A writer himself he edited two Bengali periodicals.

He is married and has two children.

CSO: 4220/7717

MINISTER DESCRIBES 5-YEAR PLAN FOR IRRIGATION

Dacca THE BANGLADESH OBSERVER in English 28 Aug 81 pp 1, 12

[Text] Planning Minister Fasihuddin Mahtab on Thursday said that the Government had a massive irrigation programme during the Second Five-Year Plan to achieve self reliance in food production, reports BSS.

He said that this included both short and long-term schemes and called upon the Bangladesh Agricultural Development Corporation and the banks to expedite their works for implementing the short-term one faster than schedule.

Speaking as chief guest at the inaugural session of a day-long seminar on marketing of irrigation equipment at the Atomic Energy Commission auditorium in Dacca the Minister said that the concerned organisations must achieve the target of minor irrigation schemes of deep and shallow tubewells, low-lift pump and hand tube-wells for the year 1981-82. He said that this must be done well in time so that the farmers did not suffer any loss in yield due to untimely supply of water.

Organised by the Bangladesh Agricultural Development Corporation the seminar was attended by the concerned officials from the BADC and the banks.

The inaugural function was presided over by Mr Sajeruddin Ahmed, director, Irrigation, BADC.

Under the short term irrigation scheme the target for the year 1981-82 includes selling of 40,000 shallow tubewells, 3,000 deep tubewells, 13,000 low lift pumps and 75,000 hand tubewells.

The Planning Minister said that 20,000 complete sets of shallow tubewells already were at hand and the rest would be made ready by December next.

He said that for sinking the deep tubewells during the Second Five-Year Plan BADC had a target of procuring 50 rigs out of which 44 had been ordered. Fourteen of them have already reached and the rest 30 are expected by December he added.

He said that 1,000 complete sets of deep tubewells were already at hand and the sinking materials were available for the remaining sets. All the 3,000 sets are expected to be completed by December next.

Out of the 75,000 hand tubewells 55,000 are at hand and the rest are expected to be ready by the year end.

The Planning Minister stressed on the effective use of mass publicity media to minimise the information gap between the farmers and the Government to expedite the implementation of the schemes.

He also stressed on day to day monitoring of the implementation programme and said that the police wireless at thana level could be used for this purpose after necessary modification.

Pointing to workshop facilities for maintenance of these equipment the minister suggested development of local workshops.

Referring to the manufacture of simple agricultural equipment he said that Government would give more priority on their supply.

CSO: 4220/7717

FOREIGN MINISTER'S MESSAGE OF SUPPORT TO NAMIBIA

Dacca THE BANGLADESH TIMES in English 27 Aug 81 p 1

[Text] Foreign Minister Prof. Mohammad Shamsul Huq on Wednesday reiterated Bangladesh's unflinching support to the just and heroic struggle of the people of Namibia for their self-determination and independence, reports BSS.

In a message on the occasion of the Namibia Day, observed on Wednesday, the Foreign Minister strongly deplored and condemned the South Africa's sinister design and illegal moves in Namibia ignoring the verdict of the United Nations. He said that peace and stability in the area can only be established through complete victory of the struggle for liberation led by SWAPO, the true and authentic representative of the people of Namibia.

The Message

Following is the text of message:

"On the occasion of the observance of Namibia Day, we in Bangladesh firmly reiterate our unflinching support to the just and heroic struggle of the brave people of Namibia for self-determination and independence. Today, we recall with admiration and respect the supreme sacrifices made by the fearless Namibian patriots for establishing human dignity and freedom in their country. We urge upon the international community to take effective measures to secure the immediate release of the Namibian freedom fighters who are being illegally held by the stooges set up by South Africa's armed might and to liberate the people of Namibia from the colonial subjugation, racial discrimination and apartheid.

"We would like to recall that as an active member of the Council for Namibia, Bangladesh has always stood for the total withdrawal of South Africa from Namibia and for the independence of Namibia through free and fair elections under the U.N. auspices. Bangladesh strongly deplores and condemns South Africa's sinister designs and illegal moves under the garb of internal settlement in Namibia in utter disregard of the verdict of the United Nations.

"It is a matter of great disappointment that the recent Geneva talks were wrecked due to the intransigence and arrogance of South Africa despite the unequivocal resolutions of the United Nations. We view with serious concern the grave threat to the peace, security and stability caused by the continuing and illegal occupation of Namibia by South Africa.

"Bangladesh firmly believes that peace and stability in the area can be established through the final and complete victory of the struggle for liberation which is being led by SWAPO, the true and authentic representative of the people of Namibia.

"We take this opportunity to reaffirm our consistent and abiding support to the just cause of the great people of Namibia and with them early and complete success in achieving the liberation and independence of their country."

CSO: 4220/7715

MINISTER SPEAKS ON INDEPENDENCE OF JUDICIARY

Dacca THE BANGLADESH OBSERVER in English 27 Aug 81 p 1

[Text] Bhola, Aug 26:--Prime Minister Shah Azizur Rahman said here yesterday that the Government had already initiated the process of separating judiciary from the executive "which is a constitutional obligation" reports BSS.

Addressing the members of local bar and cross-section of people he said that the independence of judiciary was curbed by the predecessor governments.

The Prime Minister said that the Supreme Judicial Council headed by the Chief Justice has been vested with power for supervision and regulation of the judiciary which did not exist before.

In legislative matters he said the Parliament is sovereign and the President has no power to veto the legislative enactments.

Shah Aziz said that the present government had always considered the lawyers as most conscious leaders of the country. Late President Ziaur Rahman gave adequate grants to the bar libraries, he pointed out.

Later addressing the workers' conference of Bhola district BNP, Shah Aziz, who is also Vice-Chairman of the party called upon them to emulate the character and integrity of late President Ziaur Rahman and help implement his (Zia) programmes for national development.

The Prime Minister exhorted the BNP workers to earn the love and esteem of the people by selfless service to them.

The conference was addressed among others by Mr Mosharraf Hossain Shajahan, MP and District Development Coordinator, Sk. Razzak Ali MP and Member BNP Central Standing Committee and Kazi Golam Mahboob, chairman of the BNP.

The Prime Minister visited the Bhola Fazilatunnessa Degree College and asked the students to maintain peaceful academic atmosphere.

He called upon the teachers and students to participate in the mass literacy campaign and declared that this college would be nationalised next year.

The Prime Minister gave a grant of Taka 20 thousand to the college. Shah Aziz was accorded a civic reception by the Bhola Pourashava last night.

FREEDOM FIGHTERS DEMAND OPEN TRIAL FOR ASSASSINS

Dacca THE BANGLADESH OBSERVER in English 26 Aug 81 pp 1, 12

[Text] A combined rally of the three Freedom Fighters' organisations at Baitul Mukarram on Tuesday demanded open trial of the killers of President Ziaur Rahman and postponement of execution of death sentence passed by the Field General Court Martial against the accused.

The rally was organised by the Bangladesh Muktijoddah Sangsad, Bangladesh Muktijodah, Sanghati Parishad and the Muktijoddah Sangram Parishad. Presided over by Lt Col (Retd) Kazi Nuruzzaman, chairman of the Central Command Council of the Bangladesh Muktijoddah Sangsad, the rally was addressed by Major (Retd) Ziauddin, president of the Muktijoddah Sangram Parishad, Ltd. Col (Retd) M. A. Gaffar, vice-chairman of the Bangladesh Muktijoddah Sanghati Parishad, Major (Retd) Nasiruddin of Sanghati Parishad, Mr Shahidul Islam, general secretary, Muktijoddah Sangram Parishad, Capt (Retd) Huda of Muktijoddah Sangsad, and Mr Mahbubul Alam of Muktijoddah Sangsad.

The rally in a resolution demanded retrial of the convicted persons in the open court.

Addressing the rally, Lt Col (Rtd) Kazi Nuruzzaman said that the Government in the name holding trial of the killers of President Ziaur Rahman was in fact doing injustice to the Freedom Fighters and eliminating them. He said that President Ziaur Rahman was the victim of a deep rooted conspiracy.

Major (Retd) Ziauddin President of the Muktijoddah Sangram Parishad warned that the Freedom Fighters would resist execution of death sentence passed against some army officers by the Field General Court Martial as he said that in the trial the Government had made a mockery of justice.

Major (Retd) Nasiruddin in his speech said the conspirators had selected Chittagong incident as the last phase of killing the Freedom Fighters. Many valiant Freedom Fighters including Major General Khaled Mosharraf, Col (Retd) Taher, Col Huda and many others were killed in the past.

Demanding open trial of the killers of President Zia, Major (Retd) Nasiruddin alleged that the accused officers were not given the right of employing defence counsel in the Field General Court Martial.

GANOTANTRIK STANDING COMMITTEE SESSION REPORTED

Dacca THE BANGLADESH TIMES in English 22 Aug 81 p 3

[Text] The three-day meeting of the Standing Committee of Ganotantrik Party concluded in Dacca on Wednesday called upon the people of all walks of life to build up movements against increasing aggression on Bangladesh by Indo-Soviet axis and the present Government.

According to a Press release of the party on Thursday, the Standing Committee called upon the newly-formed National Front to immediately forge national unity on the basis of minimum political and economic, programmes to organise movement in the country. It said that the Standing Committee of GP believed that the progressive forces could play a leading role in these directions.

The Press release said that the Standing Committee of the Party also believed that the aggression of Indo-Soviet axis on Bangladesh was increasing. At the same time, it said, the activities of the local agents of the axis were also increasing. The Party called upon the people to resist the activities of these agents at any cost.

The GP reiterated its demand for shifting the date of ensuing presidential elections to third week of November. It called upon the National Front to play a positive role in the elections by participating in it as a part of its overall movement. In another resolution the Standing Committee pointed out that the Awami-BKSALites were trying to utilise the election issue in favour of Indo-Soviet axis.

The meeting of the Standing Committee was presided over by Haji Mohammad Danesh, the Press release said.

CSO: 4220/7707

TOAHA ANNOUNCES NEW POLITICAL ALLIANCE FORMED

Dacca THE BANGLADESH TIMES in English 23 Aug 81 pp 1, 12

[Text] The formation of a new political alliance called "Deshpremik Front" (Patriotic Front) comprising two factions of Bangladesher Samyabadi Dal (Toaha and Nagen), Garib Newaz faction of Bangladesh People's League, Progressive Democratic Force, and some individuals was announced on Saturday.

Declaring the aims, objectives and programmes of the alliance, at a Press conference at weekly Gonoshakti office, the convener of the front Mr Mohammad Toaha said that a decision would soon be announced regarding participation of the front in the forthcoming presidential election. He also indicated that he might be a candidate if his new allies decided to nominate him. Unlike other opposition parties, Mr Toaha did not demand the shifting of the polls date and said it was the duty of the Government to hold election according to its convenience. But he demanded the resignation of the Acting President before the election.

Mr Mohammad Toaha said that the alliance consisted of progressive, democratic and patriotic leftists and it would try to mobilise like minded people to establish an exploitation free society.

Replying to a question, Mr Toaha said that the Gonotantrik Front of which his party was a component did not exist in reality with the formation of Gonotantrik Party and National Front. He said that his party had never joined the National Front. He said that he had discussions regarding formation of the front with parties like Bangladesher Samajtantrik Dal, Gonotantrik Party and National Awami Party (Nuru) but did not get response from them.

Mr Toaha said that the Awami League was acting as stooges of the Indo-Soviet bloc and said that they (Awami Leaguers) would turn Bangladesh into a vassal state if voted to power. He also criticised the Awami League for curtailing fundamental rights, amending constitution and imposing one party rule during their regime.

He also criticised the Bangladesh Nationalist Party and said that it failed to deliver goods to the people. He hailed the action taken by the armed forces on August 15, 1975, November 7, 1975 and May 30, 1981.

He said that the August 15 revolution put an end to the tyrannical rule of the BKSALITES and November 7 revolution foiled the attempt by the pro-Indian elements to subvert country's independence and sovereignty. Mr Toaha said that the armed forces were against the coup attempt by Major General Manjoor. He condemned the killing of President Ziaur Rahman and said that they wanted peaceful transfer of power through democratic means.

RETIRED AIR VICE MARSHAL TAWAB ARRESTED 22 AUGUST

Dacca THE BANGLADESH TIMES in English 23 Aug 81 pp 1, 12

[Text] Air Vice-Marshall (Retd) M. G. Tawab, ex-Chief of Air Staff and Deputy Chief Martial Law Administrator was arrested on Saturday within 24 hours of his return from a five year stay abroad on charge of corruption and abuse of power.

The former Air Chief was produced before the Chief Metropolitan Magistrate who immediately sent the case to the court of sessions Judge for trial. A bail petition moved on his behalf was rejected by the court. He may be tried by a special judge, it is understood.

According to the Bureau of Anti-corruption which investigated the case and submitted the chargesheet against him, the ex-Air Chief had by corrupt or illegal means and by abusing his position as a public servant obtained or attempted to obtain for himself or for others pecuniary advantage of about 6,36,000 US dollars through lease of a Boeing aircraft for the Bangladesh Biman.

The Anti-Corruption Department lodged an ejahar against him with Ramna police on May 13 of 1980 and began investigation against him. After the investigation charge sheets against the ex-DCMLA was submitted on August 21 of 1981 under section 5(2) of Act II of 1947 of Prevention of Corruption Act. If proved guilty of charges, the court may award him a maximum punishment of seven years in prison.

Charge Sheet

BSS adds: According to the charge sheet during his tenure as DCMLA, Mr M.G. Tawab made two attempts to purchase Boeings for Bangladesh Biman through unauthorised negotiations and other dishonest means. But due to timely intervention of the Government and the unfavourable reports by Biman's experts, both the attempts could not materialise.

Having failed to purchase the aircraft in late 1975 and then in March 1976, the DCMLA again dishonestly came in contact with a firm Pan Ayer S A and compelled the then Chairman of Bangladesh Biman on April 14, 1976 to execute an agreement for purchasing one Boeing 707-121-B at US dollars 2.365 million without calling any tender or quotation in deliberate violation of Government order to acquire one Boeing 707-320-C aircraft.

The charge sheet said that Mr M G Tawab got the purchase agreement executed and fixed the price without getting any of the three aircraft supposed to be made available in eight weeks for selection. He also at the same time got a lease agreement executed between Biman and the same firm Ayer for lease of a Boeing for the interim period of eight weeks on rent-free basis on condition that by that time the so-called purchased aircraft would be made available to the Biman. This aircraft also was inferior and defective.

Terms and Conditions

As per terms and conditions of the purchase agreement, 40 per cent of the price amounting to 9,46,000 dollars was to be paid in cash at the time of delivery of the leased aircraft and the balance 60 per cent (14,19,000 dollars) was to be paid by opening an irrevocable Letter of Credit in favour of seller firm with a bank in London. This amount was to be released upon presentation by the firm a Bill of Sale together with delivery receipt for the aircraft duly signed by Biman Chairman who was in London at that time under order of Mr Tawab.

The charge sheet said Air Vice-Marshal Tawab also signed each of the pages of both the purchase and lease deals and himself carried out the negotiations to conclude the deals. On the same day on April 14 he got a blank delivery receipt signed by Biman Chairman Mr Hedayet Ahmed and this was handed over to the seller firm.

The payment of dollar 9,46,000 was made to the firm on April 15 through Sonali Bank, London without taking any step to get the leased aircraft inspected by Biman experts at any stage. At the time of ferrying the aircraft from Stansted to Heathrow airport on April 16 Captain Mashiur Rahman of Biman refused to accept it as he had detected a number of faults but according to the charge-sheet, he (Mashiur) was compelled by Mr Tawab to accept it. The aircraft was put in Biman's schedule flight on April 17 when the Captain detected faults.

Inferior Quality

According to the charge sheet, Mr Tawab stealthily confirmed in writing to the seller firm to purchase the leased aircraft though he knew that it was of inferior quality. On April 22, the firm requested Chairman of Biman to have the purchase agreement amended so that the Biman would have no option but to purchase the leased aircraft. The firm also filled in the blank delivery receipt, showing the particulars of the leased aircraft earlier obtained by Mr Tawab from Biman Chairman, presented the same along with other connected documents and demanded payment of the balance amount of dollar 14,19,000 from the bank. The firm took the stand that Mr Tawab committed in writing to purchase the leased aircraft and to that effect delivery receipt was granted by the Chairman.

But the payment of the balance amount could not be obtained by the firm due to timely intervention of Sonali Bank and Biman, the charge sheet said.

The Biman, according to charge sheet, utilised the leased aircraft in its scheduled flights till May 10 when it was sent for maintenance repair to London

where it was impounded by the firm Pan Ayer for non-payment of the balanced amount of dollars 14,19,000.

By the aforesaid acts, the charge sheet said 'Air Vice-Marshal (Retd) M. G. Tawab by corrupt or illegal means or by otherwise abusing his position, as a public servant, obtained or attempted to obtain for himself or for others pecuniary advantage to the tune of US dollars 6,36,000 approximately.'

CSO: 4220/7708

HOME MINISTER CAUTIONS AGAINST SABOTEURS

Dacca THE BANGLADESH OBSERVER in English 20 Aug 81 p 1

[Text] Bogra, Aug 19—The Home Minister Mr A.S.M. Mustafizur Rahman today cautioned the people against infiltration of miscreants from across the border and appealed to the people to foil any attempt by these elements to create disorder and disruption in the country reports BSS.

Their attempt must be frustrated to ensure holding of forthcoming Presidential election on schedule and to continue the democratic and constitutional processes of the country and its development activities uninterrupted he said while addressing three largely attended public meetings at border villages of Koria Bhutiapara and Rambhadrapur under Bogra district.

The Home Minister said that armed miscreants from across the border might try to infiltrate into Bangladesh territory to commit sabotage and subversion, disrupt communication networks and destroy or damage other vital installations in order to create disorder and dislocation. He warned that such nefarious activities of these elements might disturb peaceful atmosphere, harm the country's economy and foil the coming Presidential election. He appealed to the people to be on their guard and assist the law enforcing agencies to preserve peace and order against the evil designs of the miscreants.

Earlier the Home Minister opened a new police station at Kalai near the border which was originally part of Khetial Police Station. This was in fulfillment of the promise made by late President Ziaur Rahman to the people of the area.

Inaugurating the new police station the Minister asked the police force to work as dedicated servant of the people and turn the new police station into an ideal peaceful and crime free area.

The Minister for Railways, Mr Abdul Alim also addressed the public meetings and the inauguration of the police station. Local members of Parliament and Gram Sarker Pradhans were also present on the occasion.

CSO: 4220/7702

UNIT FOR TRAINING CIVIL SERVICES OFFICERS PLANNED

Dacca THE BANGLADESH OBSERVER in English 20 Aug 81 pp 1, 12

[Text] A separate wing for Training and Career Planning of the officers serving the Government has been created in the Establishment Division says a Press release.

This was stated by the Establishment Minister Mr M. Majidul Haq, while addressing the participants of the Crash Training Programme for the Deputy Secretaries now being held in the National Institute of Public Administration in Dacca on Wednesday.

He said the [word illegible] will be headed by an Additional Secretary.

It will provide Secretariat support to the National Training Council already constituted with a view to formulating comprehensive training policy coordinating training programmes conducted by training institutions under different Ministries and evaluating the progress and effectiveness of the training programmes at the national level.

The Minister stressed the need for imparting training to the officers in large numbers to equip them with knowledge to execute the political decisions of the Democratic Government for the welfare of the state and the people. To expressed hope that the administrative system of the country would be built up on a strong foundation through the reorganised unified civil service structure.

He regretted that a tendency of trade unionism was being observed amongst some Government servants but its outcome he said would be very harmful to the country. He called upon them to uphold the principles of discipline and integrity and devote whole heartedly to work for protecting our national existence and sovereignty.

Regarding vacuum of staff at the basic levels both in the Secretariat and in the field offices he said the Government was reviewing the situation and steps were underway to bring about some changes in the staffing pattern. As regards the financial hardship of the Government officers and employees the Minister said that the Government was fully aware of the situation and was constantly engaged in finding out a solution to offer some relief but he also pointed out that the financial limitations of the Government must also be kept in our minds.

CSO: 4220/7702

EDITORIAL LAUDS AID TO CHITTAGONG HILL PEOPLE

Dacca THE BANGLADESH OBSERVER in English 19 Aug 81 p 5

[Editorial: "Development of Tribal Areas"]

[Text] The national development strategy aims at the well-being of the people living in all areas of the country. Accordingly, to quote Mr Aung Shu Pru Choudhury, State Minister for Food, the government is determined to improve and develop the socioeconomic conditions of the tribal people, including those of the Chittagong Hill Tracts. Concerted efforts are therefore being made in this direction. These, again, are reported to have already produced results. Authorities want to ensure that along with the rest of the nation the people of tribal areas also get equal opportunity to enjoy the fruits of development. It is heartening that our development strategy has laid stress on carrying out development activities keeping in mind the total socioeconomic conditions in society. And comprehensive measures have been taken to help all the people enjoy the gifts of modern life. Meanwhile, various measures have already brought about some changes for the better in the socioeconomic conditions of the Jhumia and other tribal people in the Chittagong Hill Tracts and other regions.

Here it may be further noted that development programmes for tribal areas envisage overall development in agricultural, educational, cultural and health sectors. The steps already taken include establishment of night schools, eradication of illiteracy and development of tribal cultural activities. Apart from these, arrangements have also been made for imparting training in different crafts to the tribal men and women, so that they may gain the required skill in their respective fields. And the skill, in turn, is certain to instill in them self-confidence so vital for facing the realities of life.

And since a good communication network can accelerate the progress of development process by facilitating smooth mobility of men and materials, the Chittagong Divisional Development Board has decided to accord priority to its development in the region. Meaningful measures, including allocation of necessary funds, are being taken for the purpose.

CSO: 4220/7701

HOME MINISTER DISMISSES SPYING ACCUSATION

Dacca THE BANGLADESH OBSERVER in English 18 Aug 81 p 1

[Text] Home Minister Mr Mustafizur Rahman on Monday described the accusation against him by Mr Abdur Razzak, General Secretary of Awami League (H) as "totally baseless and without any foundation whatsoever," reports BSS.

Mr Rahman said that his attention had been drawn to Mr Razzak's statement on Sunday's public meeting at Baitul Mukarram accusing him as an agent of Pakistan and also of drafting a law to help Pakistanis take away their properties.

The Home Minister characterised the accusations as "totally baseless and without any foundation whatsoever."

The Home Minister said that it was quite possible to have political differences in a democratic system but he felt that should be no reason to allow vilification to degenerate into personal condemnation as had been done by Mr Razzak.

He said this practice is hardly befitting an important office bearer of a political party.

Regarding the allegation of drafting the law to help Pakistanis take away their properties, Mr Rahman said that the Awami League General Secretary should have produced the said law, if any, before the public in support of his contention.

CSO: 4220/7699

BANGLADESH

CANADA AGREES TO PROVIDE WHEAT, OTHER GOODS

Dacca THE BANGLADESH OBSERVER in English 7 Aug 81 p 1

[Text] Bangladesh will receive 83,600 metric tons of wheat from Canada during the current financial year under a food assistance programme, reports BSS.

A memorandum of understanding to this effect was signed by Mr Shaiful Alam, Additional Secretary, External Resources Division of the Ministry of Finance and Mr Arthur R. Wright, High Commissioner of Canada in Bangladesh on behalf of the respective governments.

Under the memorandum, the Canadian Government has agreed for the tenth consecutive year to provide Bangladesh with a Taka 43.5 crore both for the purchase and shipment of wheat.

With this, the total Canadian food assistance to Bangladesh since independence stood at 390 million Canadian dollars. The new consignments are expected to arrive between September and November next and will for the most part be used in the Government rationing system. However, 17,000 metric tons are earmarked for vulnerable group feeding programmes of the Ministry of Relief and Rehabilitation.

In this connection, it may be mentioned that Canada is one of the largest food donors to Bangladesh. Last year they provided Bangladesh a food aid of 138,300 tons of wheat.

After the signing ceremony the Canadian High Commissioner observed that with the developed agricultural strategy Bangladesh would not require food assistance in the long run but he termed the current food assistance as a supplementary measure.

Mr Arthur Wright pointed out the increased Canadian cooperation with Bangladesh in agricultural sector particularly in irrigation and fertilizers.

He said that a Canadian planning team for agricultural sector project is expected to visit Bangladesh in September next.

Mr Arthur Wright referred to the meeting of Bangladesh Foreign Minister Prof. Shamsul Huq and the Canadian Secretary of State for External Affairs, Dr Mark Macguigan at the recent Foreign Ministers' preparatory conference for the Cancun summit in Mexico and noted that Dr Macguigan had reiterated the Canadian Government's continuing assistance to the development efforts of Bangladesh.

Mr Shafiu'lam said since liberation till June 30 last year the total Canadian commitment to Bangladesh amounted to 574,700 million Canadian dollars and against this commitment 472,142 million dollars (Canadian) was disbursed up to the same period.

At present Canada is involved with projects like construction of 30 food storage godowns small scale water control structures, agriculture sector team project, and second population project.

During the current financial year Canada is expected to extend assistance to balancing modernisation and repairing of Khulna Newsprint, Mills rice research and training project, phase two of Chittagong Urea Fertilizer Project, 50 electric diesel engines for Bangladesh Railway.

Besides Canada is also expected to provide industrial raw materials and fertilizers.

CSO: 4220/7694

AGRICULTURAL COOPERATION PACT SIGNED WITH FRG

Dacca THE BANGLADESH OBSERVER in English 22 Aug 81 p 1

[Text] Bangladesh and the Federal Republic of Germany on Friday exchanged notes on the Bangladesh German technical cooperation in the field of agricultural development in the Chittagong district reports BSS.

Mr Obaidullah Khan Secretary Ministry of Agriculture and Forests and Mr Jurgen Steinkruger Charge d'Affaires of the FRG Embassy exchanged the notes on behalf of their respective governments.

The aim of this project is to improve the availability of food grain for the population of the Chittagong district and create jobs in the project area.

Under this project the German experts will assist expansion of cultivation during dry seasons improvement of irrigation and increase of the food-grain production.

Another important component of the project is the sale of shallow tube-well equipment and pumping sets on credit basis to farmer groups free maintenance and repair service, the supply of spare parts and training of mechanics and pump operators.

The total value of the project is Taka 1.9 crore. Out of this German contribution six German experts will be financed and spare parts and expendable goods worth Taka 22 lakh such as project cars 15 motorcycles and necessary spare parts will be made available by the FRG government

CSO: 4220/7705

SELF-SUFFICIENCY IN COTTON BY END OF 1985

Dacca THE BANGLADESH OBSERVER in English 20 Aug 81 p 12

[Text] Joydebpur, Aug 19--The State Minister in-charge of the Ministry of Agriculture and Forest, Mr Amirul Islam Kalam, has said that the Government has taken necessary steps to become self-sufficient in cotton at the end of current plan period, according to an official source.

A major plan to grow cotton was taken in 1977-78, and by this time we have expanded acreage of cotton cultivation considerably, he added. He said, during 1981-82, forty thousand bales of cotton will be produced in 75 thousand acres of land.

The State Minister was speaking as chief guest at a prize-giving ceremony organised by the Cotton Development Board here this morning. Thirty seven farmers received incentive prizes in cash and kind for their outstanding performance in cotton cultivation. Presided over by Dr Kazi Badruddaza, Director, Bangladesh Agricultural Research Institute, the function was also addressed by Mr S. N. H. Arangzeb, Executive Director, Bangladesh Cotton Development Board, Mr Ansar Habib and Mr Abdul Karim Patwari, two representatives of best cotton growers.

Mr Kalam said, the present Government was determined to attain self-sufficiency in all fields including food and clothing. By the end of present Five-Year Plan we will produce 20 million tonnes of foodgrains, he continued. As a result we will have a surplus of four million tonnes. To produce four lakh bales of cotton--the quantity we now import at the cost of Taka two hundred crore--we shall have to bring six lakh acres of land under cotton cultivation. He said, the encouraging performance of our cotton growers suggest that it will not be impossible to become self-reliant in cotton in five years. Furthermore it is a profitable business since farmers can earn about Taka 10 thousand from one acre of land by cotton cultivation.

The State Minister announced that he will give 100 hand sprayers and Taka one lakh in cash to cotton growers and supply other necessary inputs to help intensify their programmes. He also assured the growers of fair price of their produce in future.

'INTENSIVE SEARCH' FOR MINERALS REPORTED

Dacca THE BANGLADESH OBSERVER in English 20 Aug 81 pp 10, 11

[Text] The old idea that there was not enough mineral resources in the country is now giving way to the fact that Bangladesh is rich in mineral resources. And it is no denying the fact that with the exploitation of our mineral resources the fate of our people would be changed for the better.

All-out efforts are therefore being made to tap the natural resources. When the untapped mineral resources would be exploited the overall economic condition of the country would be changed.

In the past there was little effort to explore and exploit the mineral resources. Even there was no worthwhile effort to survey the resources. The general impression is that there was not enough resources in our country.

The idea has now been changed. The existence of sizeable mineral resources have now been found in the country after proper survey and primary investigation.

The natural and mineral resources found in the country are: gas, pit, coal, limestone, hard rock and lignite rock. The possibility of striking oil in the country is also quite hopeful according to expert opinion.

Various agencies are now engaged in tapping the mineral resources and to utilise them for economic development.

There is bright prospects for finding pit in large quantity in Dacca, Comilla, Sylhet, Faridpur, Khulna, Dinajpur, and Rangpur. The total deposit of pit in these districts is estimated to be about 16 crore and 50 lakh tons. The deposits of pit in Bakhia and Chanda Beels of Faridpur have been estimated to be about 15 crore tons.

The idea of extraction of pit was abandoned in the past in consideration of high extraction cost but, at present in view of high cost of fuel in world market the extraction of the same is under consideration.

Limestone has been found in Sunamganj of Sylhet. The country can become self-sufficient in cement production after extraction of limestone, it is believed. Hard rock has been found in Madhyapara of Dinajpur. The extraction work of hard rock is progressing.

Coal has been found in Jamalganj of Joypurhat in the district of Bogra and Sunamganj of Sylhet. The deposit of coal in these two places has been estimated to be about 105 crore and 70 lakh tons.

With the exploitation of the mineral resources our country is sure to make a tremendous economic headway.

The territory of Bangladesh is still largely understudied in the geological respect. The lack of complete factual data delays assessing the country's oil prospects. Despite this, the general geological data allow the Soviet geologists who worked in Bangladesh to evaluate the territory of the country and the adjacent continental shelf as generally highly promising for both gas and oil prospecting. This makes one confident that fruitful cooperation between the geological services of Bangladesh and the USSR will keep promoting the discovery of new deposits which are so vital for the advancement of the country's national economy.

One of the fields of USSR's cooperation with developing countries and, notably, with Bangladesh is assistance in conducting geological exploration. This was the subject of an interview by the Deputy Minister of Geology Victor Yarmolyuk.

About 250 deposits of various minerals have been discovered with the help of Soviet geologists in different foreign countries over the past five years (1975-1980). More than half of these deposits are already being developed.

The Ministry of Geology of the USSR has been assisting different countries in the exploration of their mineral resources for more than 25 years now. These days, geological exploration is carried out in 34 countries, with the major exploration projects concentrated in developing countries. Geological exploration abroad focuses on 40 major mineral resources: oil and gas, coal, ore and nonferrous metals, nonmetallic ferrous minerals, construction materials and so on.

Dozens of mining, ore-concentration and metallurgical works as well as oil-fields have been or are being built in many countries on the basis of the deposits of mineral resources found with Soviet assistance. Parallel with geological exploration the Ministry of Geology of the USSR also assists developing countries in establishing and strengthening their national geological services and in personnel training which is highly important for these countries.

Bangladesh is one of regular partners in the field of geological cooperation. Oil and gas prospecting on the territory of that country has been going on with Soviet assistance since 1961. This cooperation has attained a particularly broad scope after 1971. To conduct geological exploration in Bangladesh, the Soviet Union has delivered there installations for deep drilling an aggregate for borehole testing seismic stations, gravimeters, laboratory equipment and a large number of transportation facilities. All equipment maintenance is carried out by Soviet engineers and technicians who take part together with Bangladesh experts in detailed geological surveys, in drilling deep boreholes and of laboratory studies. Apart from this, Soviet experts prepare recommendations and proposals on directions, methods and the ecological mode of geological exploration, which are promptly passed over to the Petrobangla Corporation. They are also engaged in the active training of young local personnel.

BANGLADESH

BRIEFS

BNP EXECUTIVE MEMBERS--Mr Naimul Huq Nannu and Mr S. M. Fakruddin Advocate of Barisal have been appointed members of National Executive Committee of Bangladesh Nationalist Party (BNP). The party's National Standing Committee made the appointment on August 1 says a Press release. [Text] [Dacca THE BANGLADESH OBSERVER in English 5 Aug 81 p 1]

NEWSPAPER CASE DISMISSED--The Press Council has dismissed the case against the editors of THE BANGLADESH OBSERVER and THE BANGLADESH TIMES brought before it by complainant Mr Tamizul Haque with the verdict "Editors' authority in deciding and publication is absolute" reports BSS. The Council said the editorial discretion unless malafide cannot be interfered with vide Rule No Five of the Code of Conduct. According to the proceedings, Mr Tamizul Haque has complained against editors of THE BANGLADESH OBSERVER and BANGLADESH TIMES alleging that they have refused to publish his (Mr Haque) article "Islam and Communism." Mr Haque also failed to prove the allegation that there exists instruction from the Government with regard to the publication. Mr Haque finally submitted that the matter should end. [Text] [Dacca THE BANGLADESH OBSERVER in English 7 Aug 81 p 1]

NEW SWISS AMBASSADOR--The Ambassador designate of Switzerland, Mr Peter Erni presented his letter of credence to the Acting President, Mr Justice Abdus Sattar at Bangabhaban on Saturday morning, reports BSS. While presenting his credentials to the Acting President, Mr Erni expressed the hope that the relations between the two countries would continue to grow in the days ahead. The Acting President assured Mr Erni of all possible cooperation during his stay in Dacca. [Text] [Dacca THE BANGLADESH OBSERVER in English 9 Aug 81 p 1]

EIGHT-PARTY MEETING--Eight political parties met in Dacca on Friday to explore possibilities of evolving a common strategy on the issues of presidential election and movement, reports ENA. The parties are: Awami League (Hasina), Jatiya Samajtantric Dal (JSD), Communist Party of Bangladesh (CPB), National Awami Party (Muzaffar), National Awami Party (Harun), Ekota Party Workers' Party and Sramik Krishak Samajbadi Dal (SKSD). Awami League (Hasina) Presidium member Abdul Mannan presided over the meeting. [Text] [Dacca THE BANGLADESH TIMES in English 15 Aug 81 p 1]

NURUL ISLAM DIES--Mr Nurul Islam, a social worker and a leader of Bangladesh Muslim League (Sabur), died of a heart attack on Sunday morning. He was 42, reports ENA. Late Mr Islam who was a man of an amiable personality left behind his wife, three sons, four daughters and a host of friends, relatives and well-wishers. His Namaj-e-Janaza was held at Chak Bazar Shahi Masjid after Zohr prayer. The body was buried at Azimpur graveyard. [Text] [Dacca THE BANGLADESH TIMES in English 17 Aug 81 p 8]

CHITTAGONG HILLS WELFARE--Manikchari, Aug 17--Mr Aung Shu Pru Choudhury State Minister for Food said here on Saturday that the Government was determined to bring about all round improvement in the lot of the people of the Hill Tracts, reports BSS. Addressing a public gathering here, the minister asked the local people to maintain peace and harmony in the interest of implementing different development projects. He said that only the principles of Bangladesh nationalism could protect the interest of the tribal people while maintaining the territorial integrity of the country. Mr Choudhury said that late President Zia had undertaken a massive economic uplift programme in the tribal areas of the Hill Tracts which no other Government in the past had done. He also reminded the local people that if the tempo of development was to be maintained and the programmes of the late President had to be implemented, they should vote for Acting President Justice Abdus Sattar. [Text] [Dacca THE BANGLADESH TIMES in English 18 Aug 81 p 1]

RICE TO GUINEA--The dream of late President Ziaur Rahman came true when Bangladesh for the first time exported 10,000 tons of rice to Guinea on Monday. MV Banglarman of Bangladesh Shipping Corporation loaded with Bangladeshi boiled rice left Chittagong port for Conakry on Monday morning as per schedule. According to an agreement Bangladesh will export one lakh tones of rice to Guinea. Monday's shipment was the first installment. Second shipment will also take place during the current month it is learnt. [Text] [Dacca THE BANGLADESH TIMES in English 18 Aug 81 p 1]

ISD ELECTION PARTICIPATION--The Islami Sammyabadi Dal has decided to participate in the forthcoming presidential elections and nominated its convenor Barrister Mohammad Rawshan Ali. According to a Press release of the party on Monday the decision was taken at a meeting of the organisation at the residence of Mr Ali on Sunday. The meeting noted that to strengthen the foundation of democracy it was essential to participate in the elections and observed that any attempts to sabotage the polls or boycott would lead to instability and anarchy in the country. [Text] [Dacca THE BANGLADESH TIMES in English 18 Aug 81 p 8]

JUTE TO INDONESIA--Indonesia will purchase jute goods worth Taka 1.90 crore from Bangladesh Jute Mills Corporation reports BSS. An agreement to this effect was signed in Dacca on Wednesday the Indonesian Ambassador in Bangladesh, Mr Sajis Basuki Sastrohartroj, and the General Manager (Marketing) of BJMC, Mr M.F. Rahman. The shipment of the goods will be made during the first week of September next. [Text] [Dacca THE BANGLADESH OBSERVER in English 20 Aug 81 p 1]

FRENCH CREDIT DECISION--French Parliament recently approved a Government decision to convert into grants a part of Bangladesh debts to France, according to an information received in Dacca from Paris, reports BSS. The total amount involved is French franc 111,927,970 (about Taka 36 crore). This is the first conversion of French credit to Bangladesh into grant. French trade commission in Dacca when contacted confirmed the news and said that the installments already paid by Bangladesh towards repayment of the debts would soon be returned by the French Treasury to Bangladesh Bank. [Text] [Dacca THE BANGLADESH OBSERVER in English 20 Aug 81 p 12]

AMBASSADOR TO SAUDI ARABIA--The Government has decided to appoint Mr Muhammad Mohsin as Bangladesh Ambassador to Saudi Arabia, it was officially announced in Dacca on Wednesday, reports BSS. Mr Mohsin has been Bangladesh Ambassador to the United Arab Emirates since April 1979. [Text] [Dacca THE BANGLADESH OBSERVER in English 20 Aug 81 p 3]

SUPPORT TO SATTAR--Bangladesh Jatiya Ulema Dal has extended support to Acting President, Mr Justice Abdus Sattar, candidate of the Bangladesh Nationalist Party (BNP) for the presidential elections. The National Organising Committee of the party in a meeting held on Friday at its central office with the party chief Maulana A.K.M. Farouk in the chair took this decision. In a resolution the National Organising Committee instructed all its workers to work for the electioneering of Mr Justice Abdus Sattar. [Text] [Dacca THE BANGLADESH OBSERVER in English 22 Aug 81 p 1]

OPPOSITION UNITY CALL--Awami League (Mizan) President, Mr Mizanur Rahman Chowdhury, on Thursday called for a united movement of the entire opposition against the government to realise the 'demands of the people,' reports BSS. Speaking at a reception given to him and the newly elected AL(Mizan) office-bearers at the Mahboob Ali Institute, Dacca, Mr Chowdhury said that unless the opposition political parties launched a vigorous movement, the present government would not fulfill any demand. The united movement, he said, should be launched to press home the demands for shifting the election date, introduction of parliamentary system of government and upholding the 1972 constitution. Organised by Jatiya Hawkers League, the reception was presided over by its president, Mr Mustafa Kamal, AL (Mizan) General Secretary, Mr Nur-e-Alam Siddiky, Vice President of the party, Mr Muslemuddin Khan Habu Miah and a number of leaders from Hawkers League addressed the reception. [Text] [Dacca THE BANGLADESH TIMES in English 22 Aug 81 p 3]

SOLIDARITY WITH PLO--Speakers at a function in Dacca on Saturday expressed full solidarity with the Palestinian people and condemned the continuing US help to Israel which is committing crimes one after another, reports BSS. Organised by the PLO office in Dacca in observance of the Al-Aqsa Day, the function, was addressed among others by the State Minister, for Manpower and Social Welfare, Syed Mahibul Hasan President of United Nations Association in Bangladesh, Prof Kabir Chowdhury and PLO representative in Bangladesh Mr Ahmed Abdur Razeq. [Text] [Dacca THE BANGLADESH TIMES in English 23 Aug 81 pp 1, 12]

DACCA VICE CHANCELLOR--Dr A.K.M. Siddiq, Professor of Physics and formerly Dean of the Faculty of Science, Dacca University has been appointed Pro-Vice-Chancellor of the University of Dacca for a term of four years, it was officially announced in Dacca on Sunday, reports BSS. Prof Siddiq worked as a visiting scientist in Canada, England, Italy and West Germany. He has participated in many international scientific conferences and has large number of publications in science journals. Prof Siddiq is a fellow of the Bangladesh Academy of sciences and a former President of the Bangladesh Physical Society. He has been invited by the Nobel Prize Committee to nominate candidates for the award in physics for 1981. Prof Siddiq has served the university for 30 years. [Text] [Dacca THE BANGLADESH TIMES in English 24 Aug 81 p 1]

PRESS AWARD REUSED--Mr Nirmal Sen, Assistant Editor of DANIK BANGLA, has declined to receive the Kazi Mahbubullah Award for journalism in 1980. In a letter to the organisers of the award Begum Zebunnesa Kazi Mahbubullah, Welfare Trust, Mr Sen said that he was unable to accept Taka ten thousands and a gold medal as he failed to perform his proper role as a journalist. He cited the reasons as 'no journalist is free today to write independently by steering clear of the Government black laws and the wishes of the owner.' [Text] [Dacca THE BANGLADESH TIMES in English 24 Aug 81 p 8]

JAMIATUL MUDARRESEEN CONFERENCE--Maulana Abdul Mannan MP, President, Bangladesh Jamiatul Mudarreseen (BJM) was unanimously reelected as President of the association for the next five years at the third session of the national conference now being held in Dacca. The conference in a resolution demanded of the Government to declare "Qadianis" as a minority community. The conference in another resolution strongly protested against the Indian occupation of South Talpatty and blockade of Angarpota and Dahagram. It appealed to the amnesty international to play active role to bring an end to the mass executions in Iran. [Text] [Dacca THE BANGLADESH TIMES in English 26 Aug 81 p 1]

RIVER-CROSSING EXERCISE--Jessore, Aug 26--Chief of the Army Staff Lt General H. M. Ershad witnessed a demonstration on assault crossing of river obstacles staged by the local Div. Engineers Battalion here yesterday, says an ISPR Press release. Speaking on the occasion, General Ershad observed that in a riverine country like Bangladesh any tactical movement of troops will have to negotiate water obstacles on their way. Since we cannot afford to provide modern and sophisticated water-obstacles expedients required to overcome such handicaps, we should try to make the best use of locally available resources, he added. Pointing out to the raft and other expedients constructed by the local Div. Engineers Battalion with indigenous means and exhibited in the demonstration, the Chief of Army Staff said that it will be a source of inspiration for new innovation to the Army. Expressing his satisfaction over the performances of the Div. Engineers Battalion in conducting the demonstration, General Ershad emphatically said that it is the efficiency and perfection of training which enables a soldier to discharge his duties with confidence. [Text] [Dacca THE BANGLADESH OBSERVER in English 27 Aug 81 p 1]

REPUBLICAN PARTY MEETING--The National Republican Party (NRP) at a meeting today decided to participate in the presidential polls scheduled for October 15, a party press release said. The party will announce its candidate soon, it added. [Text] [Dacca THE BANGLADESH TIMES in English 27 Aug 81 p 8]

NEW PRESIDENTIAL CANDIDATE--Al-haj S.M. Zakir Hossain, a retired air force personnel on Wednesday expressed his desire to contest the forthcoming Presidential election as an independent candidate, reports BSS. Announcing his 19-point election programmes at a Press conference at Mohammadpur in Dacca on Wednesday afternoon he said if he was elected he would constitute a Cabinet of the worthy and elderly talented sons of the soil. [Text] [Dacca THE BANGLADESH TIMES in English 28 Aug 81 p 3]

CSO: 4220/7719

FORMER AMBASSADOR REVIEWS INDO-SOVIET RELATIONS

Bombay THE TIMES OF INDIA in English 15 Aug 81 p 7

[Text]

NEW DELHI, August 14.

INDIA'S former ambassador to Russia, Mr. L. K. Gujral, yesterday narrated how a better appreciation of similarity of security interests of India and the Soviet Union grew after the Sino-Indian conflict of 1962.

He said it was only after 1962 that the Soviet Union agreed to sell arms to India. Mr. Y. B. Chavan, the then defence minister, had gone to London and Washington when "relevance of security as a foreign policy factor dawned on us by 1962." His inventory included the purchase of "two second-hand submarines". He drew a blank in both the United States and the United Kingdom.

It was in 1963, when Mr. Chavan was sent to the Soviet Union to secure arms during the prime ministership of Mr. Lal Bahadur Shastri, that the Soviet Union for the first time agreed to sell arms to India. Between 1962 and 1971, the Soviet Union remained one of the major sources for defence needs of the country, Mr. Gujral pointed out.

He said the Soviet Union at one stage supplied some arms to Pakistan also, hoping to wean it away from the United States and bring India and Pakistan together. But they had to abandon this experiment.

INDO-SOVIET TIES

Mr. Gujral traced the historical evolution of the Indo-Soviet relations from the days of Stalin to our own time, while delivering a lecture on "Indo-Soviet relations: retrospect and prospect". The lecture was organised by the Nehru Memorial Museum and Library. Prof. S. Nurul Hasan presided over the lecture meeting.

In Mr. Gujral's analysis, the genesis and evolution of the Indo-Soviet relations were minimal and formal during Stalin's days. Stalin had not realised and appreciated the important role Nehru and newly-free India would play in regional and world affairs.

But Nehru had appreciated the significance of Indo-Soviet relations. That was why the first ambassador from India to go to Moscow was none other than Nehru's own sister, Mrs. Vijaya Lakshmi Pandit. But Stalin did not even see her during her tenure in Moscow. Despite the Soviet support to India on Kashmir, the Soviet Union seemed to have been "cold shouldering" this country in Stalin's days.

Mr. Gujral felt that major changes in Soviet policy towards India started during the days of Khrushchev and growing co-operation in various fields between the two countries began after the visit of Khrushchev and Bulganin to our country.

He said it was then that the Soviet Union had begun to fully appreciate the realities of the Indian role in international affairs, particularly the role of Jawaharlal Nehru in building an unprecedented foreign policy.

Mr. Gujral dwelt on how the trade, economic and international co-operation in several world issues between the two countries grew with the clearer appreciation and recognition of the role of India and the policy of non-alignment. The Soviet Union began to recognise non-alignment not as a mere perception but as a movement.

Mr Gujral said while Nehru was the main architect of Indo-Soviet relations on our side, on the side of the Soviet Union it was Khrushchev, though much later. It was then that the Soviet leaders began to raise the slogan of peaceful co-existence and declared that they were not interested in exporting ideologies.

U.S. OBSTINACY

There were several other factors like the unwillingness of the Americans to see the relevance of non-alignment and failure of Nehru's protests to the U.S. administration against arms aid to our neighbours as well as deterioration of Indo-Soviet and the Sino-Indian relations of the same period, which made the foreign policy-makers of both the countries appreciate commonality of interests in various areas.

Mr. Gujral said that in the post-1962 period, the Indian elite had begun to think that because of the Sino-Indian conflict, our relations with the United States would change. Delegations too had started arriving from

that country but it became clear later that they were more interested in making India yield on Kashmir, debunk non-alignment and even replace Nehru if possible.

In Mr. Gujral's opinion, the emergence of Vietnam as an independent cause became a watershed in diplomatic realignment. The U.S. diplomacy only succeeded in limiting its own initiatives by its major defeat in Vietnam.

Mr. Gujral saw Vietnam emerging as a major security factor, from Soviet and Indian viewpoint. The Indian Ocean was another important security factor.

He said, with the advent of Mrs. Indira Gandhi, new perceptions emerged and the '70's marked an "intensi-

fied relationship" between the two countries. Our efforts to normalise ties with China also did not affect the Indo-Soviet relations qualitatively.

Mr. Gujral said in the present "arc of instability", from Vietnam to Iraq, the Indo-Soviet relations again became important. They could play an important role in the global revival of detente.

He said while the situation in the world was developing in such a way that relations between most countries could not remain simply bilateral but had to be affected basically by the relationships between the super powers, at least the Indo-Soviet relations were not entirely dependent and influenced by the super power interrelationship.

CSO: 4220/762

KERALA POLITICIANS WOO CASH CROP GROWERS

Bombay THE TIMES OF INDIA in English 15 Aug 81 p 8

[Article by K. C. John]

[Text] TRIVANDRUM: Price support for cash crops has become an essential part of the political culture of Kerala and a drain on the state exchequer. The tax-payer is left in the cold as political parties vie with each other to woo the large community of cash crop growers.

The Centre too sometimes uses its import policy as a lever to boost the political fortunes of the party of its choice in the state where political amalgamations are prone to change overnight.

Owners of large coconut gardens, paddy fields and rubber, tea, coffee and cardamom plantations wielded considerable political influence for several years after independence, particularly in the Travancore area. But the steady fragmentation of land, under the pressure of rising population and land reform, has thrown up a class of small farmers who opted for commercial crops. Rubber, coconut, and (recently) cocoa plantations sprang up everywhere and broke the monopoly of the few rich plantation lords. The small growers are now the backbone of Kerala's agricultural economy. Their numerical growth has forced the left parties, who until the early 'seventies had ignored them, to beholden them. All the parties from the Congress (of either denomination) to the CPM have front organisations fighting for the interests of the small farmers whose support is now considered vital.

Unsold cocoa beans hung on a string served the other day as a bunting on the walls of a hut in Kottayam district where opposition Kerala Congress leaders had gone on a relay fast, demanding a fair price for cocoa. Stocks of unsold cocoa pods have accumulated in thousands of small farms all over the state.

The sammagraha was called off after the Union government had assured the opposition leaders, which is led by the Congress(I), that cocoa imports would be stopped. The state government also offered to buy the accumulated stocks through co-operative societies.

The two Kerala Congress parties (ruling and opposition) derive their main support from the farming community in Kottayam district, which is the leading cocoa cultivating area.

Wrong policies

While the opposition Kerala Congress had resorted to sammagraha to "expose" the state government, its rival in the ruling front announced a programme of agitation against the "wrong economic policies" of the Union government. Every time there is a fall in the price of a cash crop the ruling alliance uses it as an opportunity to criticise the Centre. The Congress (I) too uses such occasions as an instrument of pressure to get concessions for the growers and gain political advantage.

The farmers took to the cultivation of cocoa, a major cash crop of the state, in the seventies because of the ruling high prices. The government had promised a bonanza to the cocoa cultivators which turned out to be shortlived as a private sector company, which was the sole purchaser of cocoa, switched to imports on the plea that the cocoa produced in Kerala was of poor quality. This company alone has the capacity to process cocoa.

The farmers, backs, by all the political parties, turned to the state government for relief. But the government had no means of processing cocoa and lacked the technical know-how. It promised to set up a processing unit and for some time purchased the stocks through the co-operative marketing federation. Soon

it had to suspend purchases because it could not make use of the beans.

The government, however, has again begun to purchase cocoa because of the pressure of political parties who are demanding that the growers in distress be helped. But it still has to set up a processing unit and acquire technical know-how. That means the cocoa are being purchased at the expense of the tax-payer by the government will not be godown. It plans to set up cocoa processing plants, but the prospects of these materialising in the near future are dim.

Meanwhile, the farmers will get Rs. 3 per kg for their produce, thanks to political pressure. The state will have to bear the expense of paying the higher prices. Clearly, it will then have much less money left for development projects.

The same political pressure operates whenever the price of rubber or coconut falls or whenever the Union government decides to import these commodities. All the political parties raise a hue and cry. The state legislature passes resolutions unanimously protesting against such imports. Deputations go to Delhi and manage to persuade the Centre to rescind the decision.

Political support

The Kerala government constituted a coconut development corporation a few years ago to promote the industrial use of coconut products and stabilise prices. But besides crushing copra for oil, the corporation has done nothing to prevent the exploitation of Kerala's near-monopoly position by big industrial houses outside the state.

For the political support the farmers get, they are obliged to back the demands and agitations of agricultural and industrial workers. This tends to seriously impede a balanced development of the farm sector.

The Kerala worker, either in the farm or the factory gets a minimum wage which is far above the wage level in unorganised states. A law to ensure security of service in the unorganised sector is in force now. A subsidized food scheme for the agricultural workers was launched in Palghat district as an experiment some time ago. It has failed as both farmers and their workers have rejected the scheme. Undeterred, the government is now planning to set up a welfare fund for farm workers as a substitute to provide food.

Legislative and administrative measures for the welfare of the farm workers have necessarily made farming a costly venture. Along with the continuing rise in the price of fertilisers and other inputs the farmer in Kerala has to pay more for labour than his counterpart in other parts of the country. This makes farming uneconomic and paddy fields are being converted all over the state on a large scale into coconut groves.

The tea industry is also facing a crisis because of a fall in prices in the international market. The state government has expressed its concern over the future of the industry and urged the Centre to come to its aid. All the political parties have welcomed the move.

Ironically, the state government has thought it fit to raise the minimum wage for tea plantation workers in the midst of this crisis — a clear case of attempting to consolidate political support at the expense of the larger economic interests of the state and the country.

Meanwhile, neither the worker nor the farmer is satisfied with the measures introduced by the government. Their demands keep escalating with every move the government makes to win their support.

C50: 4220/7625

NEED FOR FIRM NATIONAL ENERGY POLICY STRESSED

Bombay THE TIMES OF INDIA in English 15 Aug 81 p 8

[Article by L. K. Sharma]

[Text] **N**OW that Mrs. Gandhi has called for a world energy policy, one may well ask why India itself cannot make a beginning by announcing a national energy policy. No such policy has been formulated so far despite all the talks of the energy crunch.

It is not as if the need for it is not felt by the government. It had indeed appointed in 1977 a committee to do some spadework. Its report — by experts from diverse fields — was available in 1979 and since then it is being "processed" by the government.

The fate of the report of the earlier fuel policy committee, submitted in the early seventies, was no different. The more recent report of the Rajadhyaksha committee on power industry is currently being dusted in the energy ministry. Maybe, it has received a query from the Prime Minister's office!

The energy policy committee has broadly recommended judicious curbs on oil consumption, conserving energy through greater efficiency in utilisation, lowering the intensity of energy consumption, particularly in the industrial sector and increased reliance on renewable energy resources. It has also suggested a reappraisal of economic development strategies directly linked with energy consumption.

The government may argue that it has not overlooked some of the elements of the suggested energy policy while taking economic decisions but this is not quite the same thing as vigorously implementing a package prescription within the framework of a comprehensive, well-publicised strategy.

The government at present does not even have an institutional mechanism to carry out a national

energy policy" involving harsh measures. Indeed, the most important recommendation of the committee is for the appointment of an energy commission directly under the Prime Minister. "Such a commission should report on issues of energy policy and its implementation so that the Prime Minister could coordinate effectively the activities of the relevant departments," the report says.

SUB-SECTORS

The proposal for a commission was mooted since a ministry with all energy sub-sectors under it would not be feasible. It will be too much to expect an energy minister, even a political heavy-weight, to guide all decisions which have a bearing on energy generation, fuel-mix, pricing, energy use, conservation and research and development in the related areas. But, this is precisely the task that the government must tackle to overcome the energy crisis.

The energy problem is alarming but considering the inefficiencies in India's energy economy, there is considerable scope for stretching the available supplies. It requires coordination and direction from the highest level so that efforts made in one sub-sector of the energy economy are consistent with those made in other sub-sectors.

Nor is such coordination possible under the present institutional framework. The ministry over which Mr. A. B. A. Ghani Khan Choudhury presides should be more appropriately called the ministry of electrical power rather than the ministry of energy. The energy policy committee has rightly emphasised the need for a "nodal" agency to take the responsibility for evolving the future energy options on a continuous basis.

operationalising the policies into specific programmes and identifying agencies to implement these.

The increase and decrease of total commercial energy consumption or the consumption of specific energy is the result of a complex set of factors. These include the level of activities, the availability of different fuels, their relative prices, technological changes, changes in the composition and quality of output in the sector, the changing life style and, what is most important, the rate of substitution of non-commercial fuels by commercial energy. These are the issues which can be constantly assessed by a nucleus of experts attached to the proposed energy commission. Those who still think that the Planning Commission is to be a think-tank of the government have lost touch with the reality. Incidentally, the post of energy adviser in the Planning Commission has been lying vacant for quite some time.

JOCKEYING

The absence of a centralised co-ordination body is evident from the way vital decisions are taken or not taken. The share of nuclear power in the aggregate supply cannot be left to the Atomic Energy Commission alone. The scientists involved in the new and renewable sources may paint a rosy picture while jockeying for funds. The task of an objective comparative assessment of different technologies, changing economic and social factors and the impact of international relations on energy imports has to be undertaken by an authority which can take an overall view.

For formulating a national energy policy, the economic growth strategies have to be scrutinised in the light of current expectations

of increasing scarcity and price of all energy products. The energy policy committee wanted a study of the causes for the seemingly high energy intensity of the Indian economy. According to the committee, it is feasible to gradually reduce the input of energy required to produce a given level of goods and services.

Policy and planning matters apart, some authority has to exercise vigilance to prevent disastrous decisions by the government's own agencies. Often the states tend to slash the power tariff on the eve of elections. The wrangle between the ministries of petroleum and industry over the production of a more thermal-efficient cooking stove is yet another example.

The proposed commission alone can push through measures for the conservation of energy. Urgent action is called for to stop the flood of sub-standard equipment

and appliances that hog energy, be they electric heaters or diesel pump-sets. The task seems to be beyond a single ministry. It has been estimated that without any massive technological changes, 20 to 30 per cent of the energy being used by industry can be saved. But, administratively, curbing this colossal waste is no easy task. The problem has to be tackled in factories through better insulation and improved practices, and also at the equipment manufacturing end.

There are appliances in the market with 20 per cent electrical efficiency. In the agriculture sector, the market is flooded with pump-sets which are extremely wasteful. But, dare any authority take the 300 small-scale manufacturers to task on this count, though pump-sets with 35 per cent increased efficiency are not too difficult to manufacture?

INCENTIVES

Stringent regulatory measures as well as incentives are required to coax industry to become energy efficient. Since cement and fertiliser units, for instance, cater for a market of shortages and face no competition, they have no need to go in for better energy management. Over the years, there has been no reduction in the consumption of energy per unit of production.

Can the industry ministry make energy audit in factories mandatory? Co-generation (combined heat and power production) holds the prospect of large energy savings in the industrial sector. Can it be

made an essential condition for industrial licences? It is known that a large saving in fuel oil is possible if the furnace design is improved. If all the big users were to change furnaces, it will save the country some 15 lakh tonnes of fuel oil per year.

The present railway system is capable of moving 25 to 30 per cent more of originating traffic. But can the energy ministry ask the Railway Board to do so? Can the co-ordination of road and rail traffic be done by one single ministry? Should the railways have the last word on switching over from the steam engine to electric traction? Who is to decide the most economic use of the country's coal resources in the face of conflicting claims?

Some 10,000 Mw of power-generation capacity can be installed through micro-hydro stations on the canal system. But someone has to direct the irrigation ministry to incorporate this design parameter in their plans.

Similarly, no single ministry can encourage desirable inter-fuel substitution. It requires a co-ordinated policy. Today strong official advocacy of centralised power generation is accompanied by free approvals of captive power plants at scattered locations. This is just one example of confusion that will continue to prevail as long as there is no well-formulated national energy policy and a centralised commission with strong political and administrative authority to implement it.

CAUSES OF TRIPURA COMMUNAL RIOTS UNALLEVIATED

Bombay THE TIMES OF INDIA in English 24 Aug 81 p 7

[Article by Kirit Bhaumik]

[Text]

AGARTALA : THE deep wounds that had been inflicted on inter-communal harmony in this eastern sub-montane state by the carnage of last year have apparently been healed, but it has not ended the worries of the people here. There is a pervasive feeling that the calm is deceptive.

In support of his assertion that normalcy has returned, the I.G. of police, Mr. Ramen Bhattacharya, claims that all the families who had left their homes in the wake of the holocausts have returned to their villages. All have been rehabilitated. Both the tribals and the seculer Bengalis are living side by side in the same villages.

The assessment is essentially that of a police official whose responsibility ends with the maintenance of law and order. But the politicians are aware that this normalcy can be threatened at any time because the causes of last year's communal riots have yet to be removed.

The tribals are getting restive as the promised step for the protection of their economic interests and culture has not yet been fulfilled — the setting up of an autonomous district council. Although the necessary legislation has been enacted in accordance with the seventh schedule of the constitution, the elections are yet to be held for constituting the council.

C.M. RELUCTANT

The basic reason is the deep distrust that divides the leaders of the two communities. Not that anyone is against the demand of the tribals for legal and constitutional protection, but the chief minister, Mr. Nripen Chakravarty, feels that the issue has been politicised and that the opposition is trying to derive advantage from it.

The chief minister was reluctant to announce the holding of the elections because he appeared to be uncertain whether the atmosphere was as yet conducive for it. If he was being cautious nobody could really blame him, because last year's communal holocaust erupted after the election dates had been announced and could be directly linked to it. And Mr. Chakravarty is quite frank in admitting that he cannot fully rely on the administration remaining impartial in case of a repetition of the riots.

The tribal leaders, however, say that Mr. Chakravarty is not being sincere in putting forward these "excuses." The Marxist chief minister has, in fact, become sensitive on this issue because it involves the question of his party remaining in office. The architect of the legislation to give protection to the tribals is now dragging his feet over holding the elections.

Mr. Nagendra Jamatia, the most vocal of the four Tripura Upajati Juba Samiti (TUJS) MLAs, does not believe that the chief minister will hold the elections despite the promise that he will do so by December. Whether Mr. Jamatia is justified in his doubts or not, this feeling is only helping to increase the tension.

The problem would not have arisen had the TUJS responded to Mr. Chakravarty's overtures. But the tribal leaders have spurned all his offers for co-operation and the chief minister believes that they have done so at the instigation of the Congress (I). Mr. Chakravarty has even taken umbrage at the fact that the TUJS had sent a delegation to Delhi for unity talks with Congress (I) Central leaders.

The CPM is obviously alarmed by the fact that the party has been almost totally alienated from the tribal belt. The chief minister has in fact accused the TUJS of bouding out his party workers from the tribal areas using terrorist methods. The Marxists' fear is that if the council

elections are held in this atmosphere and the TUJS sweeps the polls, which seems likely, it will have an adverse impact on the CPM in the assembly elections due next year.

It will, however, be too rash to dismiss the chief minister's fears that there can be a recrudescence of disturbances if the council elections are held in the near future. No one can be certain. But a further postponement of the poll will further embitter relations between the communities and increase the possibility of the TUJS leadership reverting to the extremists who have been ousted from all positions of importance in the organisation.

The moderate TUJS leaders, who now control the organisation, have declared their adherence to the democratic path and assert that their aim is only to gain constitutional safeguards for the tribals. Their assertion cannot be dismissed out of hand because these leaders are all Hindus and are not prone to exploit the ethnic factor for creating inter-communal discord. They have basic differences with extremists like Mr. Bipoy Rankhal who are more akin to the Mizo insurgents, both in faith and temperament.

Presumably for partisan political reasons, Mr. Chakravarty refuses to see this important difference and is inclined to condemn them all as "brand extremists with socialist objectives."

But the people here have noted that Mr. Chakravarty had himself at one time gone all out to woo the moderate TUJS leaders.

They wonder what his attitude would have been had the TUJS leaders responded to his call.

CSO: 4220/7627

PRIVATE SECTOR PLAN TARGETS 'UNREALISTIC'

Bombay THE TIMES OF INDIA in English 24 Aug 81 p 8

[Article by Prem Shankar Jha]

[Text] EVER since the second plan, the private sector has been treated as the neglected step-sister of the public sector. While the Planning Commission has made the most detailed projections of resources, allocations and targets for the public sector, covering hundreds of pages of the plan document, the private sector has often merited no more than a few paragraphs.

Yet the burden placed on the private sector has been large by any standards. It is asked to be responsible for no less than two-fifths of the capital formation in the country. What is more important, it is expected to produce efficiently. For if it does not, since the public sector as a whole is running at a loss, there will be very little profit for the government to tax.

The sixth plan conforms to the above pattern with dreary fidelity. In all, the private sector is expected to invest Rs. 74,000 crores, only Rs. 23,000 crores less than the public sector. Rs. 16,000 crores is to be invested in agriculture, and Rs. 24,000 crores in trade and other services. Of the remaining Rs. 34,000 crores, no less than Rs. 30,000 crores is destined for investment in industry. And of this the corporate sector is expected to account for around Rs. 17,500 crores.

It is only for this last sector that the planners have attempted to give any further details. They estimate that the investment likely to occur in various sectors of industry and mining will add up to Rs. 13,182 crores. The balance is accounted for by non-financial services and industries.

DOUBLE

Of the Rs. 13,182 crores, the government expects the private sector to find Rs. 8,870 crores

either from its own surpluses and reserves (Rs. 5,760 crores) or as promoters' capital (personal investment plus money raised through the sale of shares). The balance is to come from the financial institutions.

These estimates are, to say the least, unrealistic. To begin with, they imply that the corporate sector will invest on an average Rs. 3,500 crores a year. This is almost double the current level of investment. Therefore to achieve the plan target, private investment will have to accelerate in constant prices from around Rs. 1,800 crores in 1980-81 to about Rs. 5,000 crores in 1984-85. But since the cost of investment is rising at about 13 per cent a year, this means that in money terms corporate investment will have to be nearer Rs. 9,000 crores in 1984-85 if the above targets are to be fulfilled.

Far from achieving the sixth plan's goals in real terms, the corporate sector may not be able to meet them even in money terms. An examination of the four main sources of funds for long-term investment makes this amply clear. To begin with, while the companies have financed one-third of their past investment by ploughing back their own earnings, the Planning Commission now expects their share of total investment to rise to 41 per cent. Unfortunately current trends point in exactly the opposite direction.

The main internal source of finance is a company's depreciation funds. But, as a recent study has shown, far from increasing, the share of depreciation funds in total corporate investment has been declining, from 34.5 per cent in the late sixties to 29.6 per cent in the late seventies. The reason is obvious: since

depreciation is allowed by the tax authorities only on the original purchase price of a machine or other fixed asset, as inflation pushes up its replacement cost, the gap between this and the sum accumulated in the depreciation reserve grows progressively wider. Thus, only a major change in the laws governing the provision towards depreciation can bring about the rise in internal resource generation that the planners are hoping for. But they have not proposed, and the finance ministry has not even considered, any significant change in these laws so far.

REVIVAL

What about the corporate sector's retained profits? The share of its net profit after tax that a company wishes not to distribute depends on a number of considerations, some of which, like maintaining a good corporate image or not letting down the shareholders, are psychological rather than economic. But if profits after tax do not rise, there can be no question of ploughing back more and more into the company every year. The reserve bank studies of the private corporate sector show that the ratio of net profit after tax to sales revenue has declined steadily from 4.6 per cent in 1970-71 to 3.6 per cent in 1978-79. Even in absolute terms the rise in corporate net profits has lagged behind the rise in prices over these eight years. Clearly, corporate reserves, are not likely to yield even a tiny fraction of the additional investment that is being asked of the private sector.

Two other domestic sources remain: the share market, and the term lending institutions. Till late last year, the share market had been in a prolonged coma. So poor was the investor's response to new shares that one-third of the total shares floated between 1970-71

and 1974-75 had to be bought by the term lending institutions, whose underwriting business increased from Rs. 40 crores in 1970-71 to Rs. 190 crores in 1978-79.

But in the last nine months, there has been a sustained revival of interest in share capital, so much so that for the first time shares floated by new companies and not just those of FERA companies or the Indian giants, are finding buyers. This healthy trend has also been reflected in a sharp decline in underwriting by the term lending institutions — in the case of the IDBI by no less than 25 per cent in 1980-81.

The government's attempts to create a second money market, by raising the interest rate on debentures, encouraging the issue of convertible debentures, and putting a ceiling on company deposits to divert funds to the debenture and share markets, have also met with some success. This is reflected in

sharp increase in the sale of debentures to Rs. 125 crores in the first half of 1981, against only Rs. 26 crores in the same period of 1980.

But all in all, the spurt in the volume of money raised through shares and debentures, is not of such a size as to make a major dent in the resource gap. A study of total capital consents published by *The Economic Times* shows that against an average of just over Rs. 300 crores in the four years from 1977 to 1980, if the trends visible in the first five months of 1981 are maintained, the share and debenture markets may provide around Rs. 400 crores of capital this year.

This brings us to what has emerged in the 'seventies as the mainstay of private corporate investment — long term borrowing from the term lending institutions, the Industrial Development Bank (IDBI), the Industrial Credit and Investment Corporation (ICICI) and the Industrial Finance Corporation (IFC). All of these have recorded a sharp increase in business, mainly as a result of a spurt in loan applications that began in late 1980 and has continued this year. So sharp has this been that the IDBT's lending rose by 36 per cent, in the year ended March 31, 1981. Significantly, project finance to the large and medium sector recorded the largest rise of 72 per cent. The ICICI's sanctions have also risen sharply from an average of Rs. 275 crores a year to an annual rate of Rs. 400 crores in the first seven months of this year.

SHORT

But this increase in business has brought all the three financial institutions up short against lack of funds. In fact, according to their own calculations they need an additional Rs. 405 crores to meet their anticipated commitments. The government has sought to meet this by raising a foreign loan of dollars 100 million, asking the LIC to invest Rs. 110 crores in their bonds and asking the three development banks to raise Rs. 200 crores in the market. Last month IDBI completed its first sale of bonds of Rs. 100 crores.

But after all this is taken into account, the fact remains that the total loans sanctioned under all heads to the medium and large scale corporate sector by the term lending institutions, which amounted to Rs. 825 crores in 1979-80, are unlikely to go beyond Rs. 1,200 crores in 1981-82. Allowing for another Rs. 400 crores from the share market, about Rs. 1,000 crores of internal resource generation and perhaps Rs. 100 crores of promoters' capital not raised through the floating of shares, the total investment in 1981-82, is not likely to go beyond Rs. 2,700 crores. This is 20 per cent short of the average sum that needs to be invested every year in money terms, and 35 to 40 per cent short in real terms. Clearly without major changes in government policies designed to make investment in industry more attractive, and to increase the availability of funds to the entrepreneurs, the private corporate sector will fall woefully short of the targets set for it in the sixth plan.

PRK CULTIVATION PROGRESS, OBSTACLES NOTED

Vientiane SIANG PASASON in Lao 28 Aug 81 p 3

[Text] Although weather conditions have not been very good with some areas suffering drought and others hit by floods, the planting of rice and other food crops in the PRK has still yielded good results. This is especially so in the border areas, notably in Battambang Province which was the only province to complete the planting of rice on 199,580 hectares. The cultivated area has doubled compared with last year. Aside from this, Mondolkiri, Kampong Cham and other provinces have largely completed planting.

In Kratie, Takeo, Kampot and Kampong Speu provinces, although the planned goals were not met due to drought, the farmers with the assistance of the revolutionary authorities at all levels, had timely solutions to the problems. More than 170 agricultural specialists installed pumps and supervised the pumping of water into the paddies in those areas. Moreover, the government distributed 22,000 tons of rice seedlings to various localities. Also, cadres from the SRV Ministry of Agriculture cooperated closely with the revolutionary authorities and Kampuchean farmers in building irrigation systems, repairing feeder canals and installing pumps. In order to fulfill this year's agricultural production plans set by the PRK Ministry of Agriculture, the people were mobilized to take an active part with the concerned sectors facilitating things and responding to all needs of the people engaged in agricultural production. The farmers in localities not damaged by natural disasters were united in providing assistance to people in other localities in order to safeguard crops to insure that this year's crop will be better.

CSO: 4206/70

PROVINCIAL BUDGETS FOR 1981-82 ANNOUNCED

Karachi ECONOMIC REVIEW in English Jul 81 pp 30, 35-39

[Text] All the four provinces presented their budgets during the month under review. The respective development outlays of the four provinces were as follows: Punjab Rs. 3350 million, Sind Rs. 1194 million, NWFP 980 million, Baluchistan Rs. 500 million. Agriculture received 56 per cent allocation in the Punjab development outlay, while an allocation of 49 per cent has been made for education and health sector in the NWFP Annual Development Programme. Physical Planning and Housing received the largest share of 33.4 per cent in Sind ADP. A special Development Plan for Baluchistan has also been prepared.

PUNJAB

A record allocation of Rs. 335 crore for the Annual Development Programme, various tax reliefs and no new taxation except 25 per cent increase in Abiana rates and a record surplus of Rs. 148.07 crore in non-development account for investment in the ADP are the main features of the Punjab Budget of Rs. 1496 crore, announced by the Finance Minister Mir Nawaz Sharif on June 27, 1981.

The Annual Development Programme, as usual, places main emphasis on agriculture, education, rural uplift and health which account for Rs. 170 crore that is, 53 per cent of the total programme.

The highest priority has been given to improving agricultural productivity with an allocation of Rs. 124.68 crore, that is, 37.22 per cent of the total Annual

Development Programme for agriculture and water sectors.

For provision and expansion of social and infrastructural facilities for rural areas, the Budget provides Rs. 30 crore for farm-to-market roads, Rs. 15 crore for electrification of tubewells and villages and Rs. 7 crore for development of local points in rural areas by providing facilities like electricity, water supply, road communication, health units and schools in selected villages at union council and markaz levels.

Of the total allocation in non-development account, 24 per cent has been earmarked for education which accounts for Rs. 156.94 crore besides Rs. 33.47 crore in the development account.

The Budget provides Rs. 653 crore for administration and services including 360 crore for economic and social services, Rs. 41 crore for subsidies, Rs. 435 crore for state trading in foodgrains and

BUDGET AT A GLANCE

(Rupees in crores)

	Budget	Revised	Budget
	1980-81	1980-81	1981-82
Revenue	606.54	721.56	793.85
Expenditure	586.69	618.58	653.47
	+ 19.85	+ 102.98	+ 140.38
Net Capital Receipts	+ 1.83	+ 2.12	- 1.72
Account Receipts	9.14	+ 9.82	+ 9.41
Surplus	+ 30.82	+ 114.72	+ 148.07
B. Development Expenditure	280.00	265.90	335.00
Operational Shortfall	- 14.80	-	- 15.19
	<u>265.20</u>	<u>265.90</u>	<u>319.81</u>
C. State Trading	375.71	404.91	434.95
D. Non-Development Capital Expenditure	76.40	77.18	94.87
Total: (A+B+C+D)	1318.80	1366.57	1518.29

sugar, and Rs. 95 crore for capital expenditure outside the development account and the Annual Development Programme allocation.

Most of the tax reliefs and concessions provided in the Budget are in respect of urban immovable property in order to encourage housing industry and grant exemptions to widows, orphans and the disabled.

Annual Development Programme

Agriculture sector shared Rs. 104.35 crore which is 56 per cent more than the provision for this sector in the current ADP. The highest priority has been assigned to the subsector of agriculture and agricultural credit with an allocation of Rs. 80.08 crore as against Rs. 44.22 crore in the revised Annual Development Programme of 1980-81. The main activities in this sector are farm-to-market roads for which Rs. 30 crore have been earmarked, improvement of over 15,000 water courses, electrification of tubewells for which Rs. 15 crore have been provided, development of barani areas and subsidy on diesel tubewells, seeds, sprayers;

lift irrigation and supervised credit. The total provision of subsidies is Rs. 5.50 crore.

The total allocation for livestock sub-sector including fisheries has been increased from Rs. 8.03 crore in the revised Annual Development Programme 1980-81 to Rs. 11.36 crore in the ADP 1981-82. Priority has been accorded to artificial insemination programme, control of paramistic diseases and livestock research. The development of hatcheries and expansion of research facilities in fisheries would be geared to encourage private sector. Government has appointed a high-powered committee to prepare a action plan to activate livestock sector and to encourage private initiative. The committee's recommendations may cause re-adjustment of strategies in livestock and dairy development.

The allocation for rural development programme has been increased by 95 per cent from Rs. 15.09 crore in the revised ADP 1981-82 to Rs. 29.49 crore in the ADP 1981-82. In addition to the on-going programme for construction of

link roads, markaz complexes and adult education programme, a beginning will be made to develop focal points in each union council and markaz. Rupees 7 crore have been allocated for the growth of such focal points by providing physical and social infra-structure. Besides an allocation of rupees four crore has been kept to provide matching grants to Zila councils, Union councils which will mobilize natural local resources.

Under the public sector development programme of industries, major emphasis has been given to small industries and development of minerals. Out of total sectoral allocation of Rs. 4.68 crore Rs. 1.46 crore will be given to Mineral Development Corporation and Rs. 2.22 crore to the Small Industries Corporation. A sum of Rs. 20.33 crore has been allocated for the sector of water (irrigation). Major emphasis will be on drainage and small dams programme. About 270 miles of new drains would be constructed and 240 miles of existing drains would be improved. Most important drainage project is the Khainwala drain which would provide relief from waterlogging and salinity to an area of about 1350 square kilometers in Faisalabad and Jhang Districts.

The main programme of Highway Department relates to widening and improvement of existing roads and construction of new roads and bridges. Rs. 11.92 crore has been allocated for construction of 155 miles of new roads and Rs. 8.17 crore for widening and improvement of 70 existing roads. This is in addition to rural roads programme. Rs. 2.31 crore have been provided for the construction of bridges and Rs. 2.19 crore for flood restoration works.

The ADP provides Rs. 34 crore for urban development programmes to be executed by three development authorities at Lahore, Multan and Faisalabad. The Lahore Development Authority has been allocated Rs. 2.45 crore for constructing roads and bridges and another Rs. 9.56 crore for water supply and sewerage of schemes. The FDA has been

given Rs. 13.72 crore for sewerage and water supply beside a sum of Rs. 1.27 crore for roads and bridges. The Multan Development Authority has been allocated Rs. 2.10 crore for water supply and sewerage and Rs. 130 crore, for roads and bridges.

A sum of Rs. 33.47 crore has been allocated for education and training which showed an increase of 26 per cent over the allocation made in the current year's revised ADP. The bulk of this amount, Rs. 11.45 crore would be spent on primary education, which came to about 64 per cent, of the total allocation for this sector. The amount would be spent on opening of new schools up gradation and repair of existing schools and colleges and for improving facilities for science teaching.

The health sector has been allocated a sum of Rs. 32.18 crore. The development programme includes completion of 44, health centres and 200 basic health units, adding 352 beds in rural hospitals. In addition to this, work on 23 rural health units would be started during the year. As many as 950, medical college students would be provided hostel accommodation while many hospitals would be completed during the year. An allocation of Rs. 3.23 crore has been made in the ADP for four schemes of manpower training which would help train 984 persons in various skills.

An allocation of Rs. 7.17 crore has been made for various area development schemes for housing purposes in the province which would be financed from the deposit account created out of the sale proceeds of plots in schemes completed in the previous years. Housing and Physical Planning Department is expected to complete five such schemes in Lahore townships, Gujrat Khan, Sahiwal and Rahimyar Khan which would make available 7500 developed plots for allotment to the public. With a view to providing clean and hygienic water to the rural population, an allocation of Rs. 10.09 crore has been made which will be spent on 56 on-going and 50 new schemes. An allocation of Rs. 3.56 crore has been made for 37 urban water supply schemes.

HIGHLIGHTS OF PUNJAB BUDGET

- All new houses constructed and used for residential purposes only shall henceforth be exempt from property tax for the first three years after completion.
- General exemption limit in respect of urban immovable property tax increased from annual rental value of Rs. 480 to annual rental value of Rs. 720.
- Subject to new assessment, tax on self occupied houses reduced to 12.50 per cent of the normal amount of tax. The exemption limit of annual rental value of Rs. 1,200 for self occupied houses to continue.
- Widows, orphans and disabled persons totally exempted to the extent of one house, from the urban immovable property tax.
- Entertainment tax on dramatic performances reduced by 50 per cent.
- All games and sports events totally exempted from entertainment tax.
- Buses plying for hire on urban routes falling partly within and partly outside the municipal or containment limits with 60 per cent of the total length of the route lying within the limits of a corporation, municipal committee or containment board, to pay motor vehicles tax at the rate of Rs. 88 per seat per annum meant for vehicles plying for hire exclusively within the municipal or containment limits instead of Rs. 168 per seat per annum applicable to the vehicles plying on intercity routes.
- Abian rates increased by 25 per cent as a step towards mobilizing resources for narrowing the wide gap between income and expenditure of Irrigation Department and as a measure to encourage more efficient and economical use of precious irrigation water.
- Highest priority given to improving agricultural productivity with an allocation of Rs. 124.68 crore, i.e. 37.22 per cent of the total annual development programme, for agriculture and water sectors.
- Special emphasis on provision and expansion of social and infrastructural facilities for rural areas: allocation of Rs. 30 crore for farm to market roads, Rs. 15 crore for electrification of tubewells and villages, Rs. seven crore for development of focal points in rural areas by providing facilities like electricity, water supply, road, communication health units and schools in selected villages and small towns at union council and Markaz levels.
- Allocations of Rs. 5.50 crore for subsidies on installation of tubewells, seeds, sprayers, lift irrigation and supervised credit Rs. 10.65 crore for development and improvement of water-courses and Rs. 2 crore for procurement of spares for agricultural machinery.
- Allocation of Rs. 65.21 crore for roads and bridges including Rs. 30 crore for farm-to-market roads, Rs. 8.04 crore for rural link roads and Rs. 27.17 crore for road building programme to be executed by the Highways Department.
- 24 per cent of the total allocation in non-development account earmarked for education which accounts for Rs. 156.94 crore besides Rs. 33.47 crore in the development account.

SIND

Sind Finance Minister Ashraf Tabani on June 26 announced a Rs. 4.3 million surplus budget for 1981-82, with a Rs. 1,194 million Annual Development Programme and certain tax adjustments generating an additional revenue of Rs. 55 million. A cut of two-and-a-half per cent is being made on the outlay in the development programme except on pensions, debt-servicing, subsidies and irrigation maintenance. With the proposed cut, the non-development expenditure estimates would thus be reduced from Rs. 3481.3 million to Rs. 3317.7 million. The funds for the development programme would now stand at Rs. 1164.15 million.

The expected saving of Rs. 109.5 million in non-development expenditure would be offset by the benefits allowed in dearness conveyance and house rent allowances and salary increment and pensions. With the rationalisation of tax incidence, the Budget also announced tax relief measures abolishing fixed tax on cinemas to provide an incentive to the film industry in the Province.

The other relief measure are:—

- 1) A three-year tax holiday will be allowed to any entrepreneur willing to set up amusement parks for children and adults anywhere in the Province outside Karachi.
- 2) Rationalisation of tax on professions and callings to provide relief to small-scale private limited companies and importers.
- 3) Ad valorem fee on appeals in fatal accident cases will be abolished.
- 4) The levy on airway bills of lading and customs declaration is being abolished.

To provide additional funds for proper maintenance and improvement of the irrigation system an increase of 25 per cent over the present water rates (ablaia) will be made from the next "kharif" season.

A revision of the present rates of fee under the Registration Act 1908, cotton fee at the rate of Rs. 5.50 per 100 kilograms paddy development fee at the rate of Rs. 0.75 per 100 kgs of the exis-

ting rates of Motor Vehicles Tax and fee, and excise duty and fees on spirituous preparations and consumption of liquor by non-Muslim licences.

The overall economic situation in the province remained satisfactory during the current fiscal year. Wheat production rose by 5.2 per cent, rice by 3.4 per cent and a marginal increase in the sugarcane crop. The target for cotton output of 1,400,000 bales was achieved. The growth of the large-scale manufacturing sector registered an increase of 4.35 per cent while small-scale manufacturing has shown a growth of 5.54 per cent over the previous year. Due to strict enforcement of financial discipline, particularly in the employment of staff and the use of telephone, savings of Rs. 38.5 million were effected.

Annual Development Programme

The physical planning and housing sector secured the largest share of 33.4 per cent of the Annual Development Programme due to the inclusion of the Hub Dam Water supply Scheme, Greater Karachi Sewerage Scheme and a higher provision for the Hyderabad Water Supply and Sewerage Project.

The development plan for 1981-82 had been formulated within the framework of the medium-term plan, covering the period 1981-82 to 1983-84. The estimated size of the Sind medium term plan is Rs. 4366.00 million. He said only 80.3 per cent of the ADP had been devoted to on-going and 19.7 per cent to new projects. In monetary terms the size of the ADP is seven per cent higher than the current year's revised estimates of Rs. 1106.6 million. The Federal Government has allocated a total amount of Rs. 1189.7 million for financing the ADP. The Provincial Government's contribution is plus 4.292 million.

The total tax revenues are estimated to go up from Rs. 2611.7 million to Rs. 2925.1 million during 1981-82 million during 1981-82, an increase of about 12 per cent. The non-tax revenue during 1981-82 is estimated to go down from Rs. 480.3 million to Rs. 423.5 million. The net decrease over the revised estimate

HIGHLIGHTS OF SIND BUDGET

- Rs. 60 million earmarked for the Hub Dam Water Supply Scheme, Rs. 30.94 million for Greater Karachi Sewerage Scheme and Rs. 83 million for Hyderabad Water Supply and Sewerage Project.
- The increased allocation of Rs. 100 million to be utilized for the benefit of 28,000 acres in Kotri and 107,000 acres in Guddu.
- 500 villages, almost twice of the current year are to be electrified.
- About 175 miles of canal banks to be strengthened.
- On-farm management to be stepped up to achieve economy in the use of irrigation water for optimum crop production.
- Work on Phase I of the Hub Dam Water Supply Scheme is expected to be completed during the year 1981-82 to supply additional 80 million gallons of water daily to Karachi.
- A population of 645,000 to be provided with notable water and sewerage facilities.
- Thatta and Dadu sugar mills are to be disinvested. Announcement inviting offers to be made in due course.
- Reafforestation of highlying areas in riverian forest of Nawabshah and introduction of agro-forestry in Sind to be taken up.
- Karachi Fish Harbour to be rehabilitated with a grant from the European Economic Community.

- Present rates of fee under Registration Act, 1908 to be suitably revised.
- Cotton fee to be charged at the rate of Rs. 5.50 per 100 kilograms.
- Paddy development fee will now be Rs. 0.75 per 100 kgs.
- The existing rates of motorvehicles tax and fees to be revised on a selective basis, in respect of non-commercial motor vehicles.
- No increase in the tax rate to be made in respect of private carriers, commercial transport or motor cycles.
- Tax rationalisation measures to generate an additional amount of Rs. 55 million.
- 300 kilometers of new roads, improvement of 235 kilometers of existing roads and 5 bridges are to be taken up.
- Rs. 2.3 million provided for reconstruction of Benaras Chowk in Karachi.
- Fixed tax on cinemas to be abolished to provide an incentive to the cinema industry in the province.
- A cut of two and a half per cent being made on the outlay in development programme thus reducing non-development expenditures from Rs. 3481.3 million to Rs. 3317.7 million.
- An increase of 25% over the present water rates (abinal) to be made from the next kharif season.
- Existing rates of stamp duty on receipts and acknowledgement, affidavit, conveyance, power attorney, copy and counterpart to be rationalized.

1980-81 is of Rs. 56.8 million. The contribution of the provincial and Federal taxes in total tax revenue of 1981-82 is in the ratio of 3:7, the same as during the current year.

It is expected that during 1981-82 receipts from direct taxes will be Rs. 1470.5 million or 50.3 per cent and from indirect taxes Rs. 1307.8 million or 49.7

per cent, the overall increase in 1981-82 over the revised estimate 1980-81 in direct and indirect taxes is of Rs. 313.4 million. The increase in direct and indirect taxes over the revised estimates 1980-81 is expected to be Rs. 166.5 million and Rs. 147.0 million. In the coming year, the single largest revenue yielding tax is stamps (24.1 per cent)

followed by motor vehicles (14.8 per cent), entertainment duty (14.2 per cent) capital gain tax (6.3 per cent) and cotton cess (5.7 per cent), electricity duty (7.7 per cent) and land revenue (9.3 per cent).

Over Rs. 250 million have been provided in the Annual Development Plan (ADP) for 1981-82 for construction of new roads and improvement of old ones.

The ADP provides for:-

- Construction of 300 kilometres of new roads (with the emphasis on rural areas);
- Improvement of 235 kilometres of existing roads;
- Improvement of five bridges, including two boat bridges, one bridge on the Phuleli canal in Hyderabad and another on the Khairpur Feeder West Canal; and
- A special provision of Rs. 2.3 million from the revenue budget for reconstruction of the Banaras Chowk in Karachi for the benefit of industrial workers in the Manghopir area and the Orangi township.

An additional sum of Rs. 16 million has been allocated in the Provincial budget for 1981-82 to improve SRTC transport facilities in the interior of the province.

This will include the purchase of 50 new buses and the retrieval of 55 others lying in the workshop. Measures to increase the area under forests in Sind were announced as part of the budgetary provisions for 1981-82. Two new schemes will be launched during the coming year, namely re-afforestation of highlylying areas of the Nawabshah riverian forest and introduction of agro forestry in Sind.

NWFP

A record Rs. 335.20 crore NWFP Budget for the fiscal year 1981-82 with a development outlay of Rs. 98.08 crore was announced by the provincial Finance Minister, Mr. Salim Seftullah on June 28, 1981.

The Budget estimated a nominal deficit of Rs. 39.50 lac, after rationalisation of various levies and grant of some concessions which would yield Rs. 62.11 lac. The total budgetary deficit was estimated at Rs. 1.01 crore.

The budget envisaged Annual Development Programme of Rs. 98.08 crore and non-development expenditure of Rs. 2,292,942,000 as against revenue receipts of Rs. 2,282,791,000. It also shows an overall budgetary shortfall of Rs. 78,265,000 which would be covered through economy cuts, during the course of the year.

The next year's Budget showed an overall increase of 24.35 per cent over the 1980-81 Budget. An amount of Rs. 1,142,286,000 proposed to be spent directly on the socio-economic welfare projects, in the non-development sector besides the ADP of Rs. 98.08 crore, to make it a record budgetary provision. Wheat subsidy to the order of Rs. 301,876,000 would also be provided.

Annual Development Programme

A Rs. 98.08 crore Annual Development Programme for the year 1981-82 was announced. Over one-third of the total development Budget, had been allocated for Education and health sectors, with provision of Rs. 35.58 crore. About 49 per cent of the ADP goes to the Irrigation Agriculture drinking water and communication sectors.

The sectorwise allocations are:-
(Rs. crore)

Education	20.65
Physical Planning and Housing	17.16
Health	13.92
Agriculture	12.15
Industries	2.84

The Government's developmental strategy was to ensure accelerated implementation of the on going projects in order to provide their benefit to the people of the province. Under this strategy, it was proposed to spend Rs. 59.50 crore on the on going schemes. It was also Government's policy to remove inter-regional inequality with liberal allocations for the proportionately backward areas in the province. Similarly, special atten-

HIGHLIGHTS OF NWFP BUDGET

- No new tax has been imposed.
- Concessions to the order of Rs. 40.78 lacs have been granted through reduction in rental charges of bulldozers by Rs. 10 per hour and withdrawal of 50 paisa excise duty on rectified spirit.
- Rationalisation of certain levies would yield Rs. 10,289,000.
- The budget envisages Rs. 65.45 crore for the education sector, showing a 25 per cent increase over the current year's allocation of Rs. 52.54 crore.
- Rs. 9.60 crore have been allocated for primary education, i.e. 48 per cent of the total budgetary allocation for the education sector.
- Rs. 2.30 crore have been provided for provision of medicines in the hospitals and dispensaries.
- Residential accommodations for 99 Government employees of various categories would be built.
- A provision of Rs. 15 lac has been made for the establishment and revitalisation of viable multipurpose cooperative societies in each union council of the province.
- Additional food storage capacity for 2250 tons would be created.
- Minor development schemes worth Rs. 4.50 crore will be executed by the District and Union Councils.
- The Attock bridge would be opened to traffic in August next.
- Lady Reading and Khyber teaching hospitals in Peshawar would be provided Rs. 2.63 crore.
- Rs. 50 lac have been provided for public parks, libraries etc.
- One hundred residential quarters would be built for the school teachers, while Rs. 2.80 crore have been allocated for maintenance of schools.
- One crore rupees would be spent on small hydel stations to the province.
- Drinking water facilities would be extended to 35,000 rural population and 3.25 lac urban population, at a cost of Rs. 9.81 lac.
- Eightyone miles of bitumen and 46 miles of Shingled roads would be built during the year, besides implementation of 74 schemes for expansion of roads.

tion had also been accorded to the welfare of the rural population in formulation of the development schemes.

Discussing sectorwise development schemes, included in the ADP Mr. Salim Saifullah said that the allocation of Rs. 20.65 crore, provided in the next year's ADP for education sector, was an increase of Rs. 4.80 crore over the current year's provision.

He said that primary education would get major share of Rs. 9.61 crore as part of the Government's policy of universal literacy. Three hundred new primary schools would be opened while condition of 200 other existing primary schools would be improved. Thirty-eight primary and 30 middle schools would be upgraded to the middle and high levels respectively.

The Chashma Right Bank Canal, Mardan Scarp, cement plant at Kohat, urea fertilizer factory at Haripur and Dir Forest Complex were some of the major development projects, being implemented in the province. Similarly the Attock bridge had been completed, while work on the D.I. Khan-Darya Khan bridge was progressing satisfactorily.

TAXES & CONCESSIONS

The budget has taken steps to rationalise existing levies to generate Rs. 62.11 lac to reduce the budgetary deficit of Rs. 1.01 crore to Rs. 39.8 lac. The net deficit of Rs. 39.8 lac would be made up through recoveries of Government arrears.

A 25 per cent increase in the rate of Abiana, in line with other provinces would yield Rs. 59.72 lac, raise in licence fee

for various types of arms to fetch Rs. 15.13 lac; increase in the contractors registration fee to gain Rs. 13.4 lac and 25 per cent reduction of subsidy on pesticides and insecticides to save Rs. 15 lac. The concessions included as reduction of the rental charges of bulldozers by Rs. 10 per hour and the abolition of 50 paise per litre excise duty on rectified spirit affecting losses to the Provincial Exchequer to the order of Rs. 40.78 lac.

As a result of these financial measures, the Government would gain about Rs. 62.11 lac, reducing the total budgetary gap to Rs. 39.8 lac. The relief to the Government employees announced by the Federal Finance Minister in the Budget, would put an additional burden of about Rs. 10 crore, which was expected to be provided by the Federal Government.

The following taxes and concessions for the year 1981-82 were announced:-

- 1) The rate of Abiana has been increased by 25 per cent.
- 2) The licence fee in respect of various arms has been raised effecting increase between Rs. 2 and Rs. 20 in accordance with the type of arms.
- 3) The fee for the countrywide licence of arms has been raised from 15 to Rs. 100.
- 4) The contractors registration fee has been raised from Rs. 250 to Rs. 5,000. The Irrigation and Public Health Engineering contractors would also pay the same registration fee.
- 5) The subsidy in respect of insecticides and pesticides been reduced by 25 per cent.
- 6) The rental charges of bulldozers have been reduced from Rs. 105 per hour to Rs. 95 per hour, providing concession of Rs. 10 per hour.
- 7) The 50 paise per litre Excise Duty on rectified spirit has been withdrawn.

BALUCHISTAN

Baluchistan's annual budget for the year 1981-82 entailing largest outlay of

funds to tune of Rs. 1,794.490 million, the biggest in history of the province, both in real and nominal terms, was presented by provincial Governor, Lt. Gen. Rahimuddin Khan. Of the total appropriations, Rs. 500.150 million will go to development and Rs. 1,294.340 million for revenue expenditure. Budget for new fiscal year shows an increase of Rs. 326.580 million. Revenue receipts for the year 1981-82 have been projected at Rs. 1,140.349 million as compared to budget estimates of Rs. 904.306 million and revised estimates of Rs. 1,071.586 million for outgoing year. Share of Baluchistan in Federal tax assignments have been estimated in next years budget at Rs. 346.822 million while provincial tax receipts would amount to Rs. 27.052 million and non-tax receipts are being budgeted at Rs. 766.475 million. The increase in projected receipts for 1981-82 has been attributed largely to increase in offtake of Sui-gas, higher share in Federal tax assignments and some improvement in provincial receipts.

The gap between approved revenue expenditure and revenue receipts as shown in budget has been of order of Rs. 169.896 million. This deficit under existing arrangement will be accommodated by the Federal Government.

The provincial Government will be transferring 10 per cent of revenues realised from Motor Vehicles Tax to local Councils from whose jurisdiction tax is collected. Loss thus accruing to provincial receipts will be made up by 10 per cent increase in all existing taxes relating to motor vehicles becoming effective from July 1, 1981. As decided by the National Economic Council an increase of 25 per cent in the existing Abiana rates is being made effective from July 1, 1981 and certain adjustments in rates of royalty on specific minerals are being made along with amendments in rates of departmental fees.

A decision to amend Court Fee Act 1890, West Pakistan Family Court Act 1964, and Fatal Accidents Act 1855, has been taken to bring rates of court fee in conformity with rates prevailing in other provinces. Amendments also incorporate

provisions for penal court fees in case of frivolous civil suits and fixed fee of Rs.15 in case of suits under Fatal Accidents Act.

As a result of the unfavourable international economic situation the adverse trade balance, the burden imposed on the economy due to the energy crisis, the strains generated due to influx of nearly 2 million Afghan refugees, the various financial and physical projections made in the Fifth Five-Year Plan were rendered unrealistic.

There was need therefore, to prepare a more meaningful plan. With this end in view, a three-year mini-plan, commencing from 1981-82, has been prepared. The mini-plan preserves our basic strategy of developing the social and economic infra-structure. It concentrated on projects with relatively shorter gestation period. It encourages gains in agricultural and industrial productivity and aimed at ensuring regional balanced growth. The mini-plan envisages an investment of more than Rs. 1,800 million during the next three years ending in 1983-84.

While the mini-plan would be able to cater to the normal requirement of development in Baluchistan, it is realised that there are a large number of projects that require very lumpy investments and cannot be taken up for financing through the normal Annual Development Programme. The Government of Baluchistan, in consultation with the Federal Government, has prepared a special development plan for Baluchistan. This document has since been circulated among donor countries and international financial institutions.

The response from the international community has been most encouraging so far. This would lead to a substantial enhancement in the total size of development investment made in the province during the mini-plan period.

The strategy of the Special Development Plan is to execute blend of projects, which will go to confer quick economic and social benefits on the inhabitants of Baluchistan and at the same time to construct such physical infrastructure

facilities as are found to be essential for the development of the natural resources. This would in turn bring the socio-economic development to a level comparable with the more developed parts of the country. Abridgement of the time frame in which this is to occur is of critical significance.

Annual Development Programme

The size of the Special Development plan has been fixed at Rs. 19,393.200 million with a foreign exchange component of Rs. 4,657.880 million. This is an approximation but should be indicative of the magnitude of funds involved. The bulk of the investment is proposed for the development of water and power resources, construction of new roads and promotion of industrial and mineral development.

The Kuwait Fund has committed to provide an amount of Rs. 130.200 million for rural electrification programme in Baluchistan. The project envisaged provisioning of electricity to 300 villages in Baluchistan for domestic and agricultural consumption. Work on the project would commence within the first quarter of the fiscal year 1981-82 and would be completed within two years.

The Kuwait Fund would also provide an amount of Rs. 140.300 m for the water supply schemes of Quetta and Gaddani. Work on the Quetta water supply scheme would be implemented by the Quetta Development Authority (QDA) while that of Gaddani would be taken up by the Baluchistan Development Authority. Work on both these projects would commence in the second quarter of the next financial year as soon as tender formalities have been completed. It is expected that the Kuwait Fund would also provide an amount of Rs. 90.500 million for small irrigation scheme in Baluchistan.

The British Government has agreed to provide an amount of Rs. 80 million to WAPDA for undertaking the construction of transmission lines for linking Qilla Saifullah to Zhob, Kashmore-Sui Dejiugti

and (Kharozai) to Ziarat. Work on these three lines is expected to be taken up in the first quarter of 1981-82.

Negotiations have also been conducted with the Japanese and West German Governments. The extent of their participation in the development of Baluchistan would be known in due course.

CSO: 4220/304

BUDGET UNVEILS PROSPECTS, PROMISES

Karachi ECONOMIC REVIEW in English Jul 81 pp 16-19

[Article by Iqbal Haidari]

[Text] The Budget 1981-82 has increased the tax burden. The tax/GDP ratio was 11.42 per cent in 1976-77 which increased to 14.73 per cent in 1980-81. Direct taxes on the whole have a very low yield appropriating a little more than 3 per cent of the GDP. Budgetary Gap has considerably widened, increasing the deficit financing to Rs. 5.44 billion. It is commendable that the Finance Minister has widened his tax-net and consequently the number of tax payers has increased to nearly 850,000 in 1980-81.

The size of the 1981-82 Federal Budget has been placed at Rs. 66.54 billion which represents 14.23% increase over last years revised budget of Rs. 58.25 billion. This included Rs. 36.94 billion current expenditure and Rs. 29.59 billion development expenditure. Both showed an increase of 16.1% and 11.9% respectively over the revised budget of last year.

A large part of the current expenditure amounting to Rs. 20.83 billion or 56.4% would be spent on General administration (5.4%), Defence (47.9%), law and order (3.1%). The Annual Development Programme of Rs. 29.59 billion included the largest share of 21.0% for power programming, followed by 20.7% for transport and communication. The shares of other sectors are: 14.2% water, 12.3% agriculture, 7.3% fuels, 3.1% physical planning and housing and 11.8% industry. The main change in the Federal Programme for 1981-82 relates to the

Manpower sector. A National Vocational Training Programme has been prepared for the training of skilled workers on a large scale. An amount of Rs. 61 million will be spent to train about 21,000 workers annually.

The budget would mobilise Rs. 43.05 billion internal resources and Rs. 14.21 billion external resources. According to the estimates of the expenditure the budget has been left with a resource gap of Rs. 9273 million as compared to 4366 million according to the revised estimates for 1980-81. This gap has been widened further to Rs. 11.05 billion on account of the relief measures provided to fixed income group. The Finance Minister proposed to bridge the gap as follows:-

(a) By cutting the development expenditure by 2% of Federal and Provincial Governments. This will result in an overall of Rs. 1690 million.

- (b) By streamlining the tax machinery rupees 1000 million.
- (c) Public sector enterprises to contribute additional Rs. 400 million.
- (d) Additional capital receipts of the order of Rs. 400 million through savings.
- (e) Reduction in subsidy on wheat would save Rs. 970 million.
- (f) By increase in sale price of sugar by rupee one per kg additional Rs. 640 million.
- (g) Rs. 240 million through an increase in the price of cement.
- (h) By increasing Rs. 1 per litre on lubricating base oil additional Rs. 125 million.
- (i) Increase in rental of telax machine from Rs. 10,800 to Rs. 25,000 would yield Rs. 50 million.

These measures would yield a total sum of Rs. 5608 million as follows:—

(Rs. in million)

1) Cut in expenditure	1890
2) Improvement in tax Administration	1000
3) Additional non tax revenue	800
4) Reduction of subsidies and price adjust	2070
5) Net effect of Taxation measures and relief	48
	5608
Balance proposed to be covered by Bank Borrowing	5444
Total	11052

According to Finance Minister deficit financing of Rs. 5444 million would be within safe limits as it would work out less than two per cent of the GDP. It would be recalled that ratio of deficit financing to GDP was 1.7% in 1979-80 and 3.1% during the preceding five years.

The budget has provided relief to fixed income groups both in the public and private sector. The dearness allowances, house rent and conveyance allowance to Government servants have been increased. An adhoc increase of 10% subject to a minimum of Rs. 200 has been announ-

ced for pensioners. The dearness allowance has been allowed at the rate of 10% of pay subject to minimum of Rs. 100 and maximum of Rs. 250 per month to Government employees of all grades, including corporations banks and financial institutions. An increase of Rs. 40 per month has also been allowed to employees in the private sector. The increase would however, be adjusted against increases that the unions may have obtained through any agreement or wage award.

The corporate sector has not much in the budget except 5% reduction in the surcharge on super tax. Increase in the depreciation of machinery would also benefit the corporate sector. Tax holiday to mineral sector would boost investment in this neglected sector. Income tax deduction at the rate of 1% instead of 2% at the custom stage would also benefit the importing firms.

The budget faithfully maintains its age old tradition without introducing any change in the basic format. The dependence on aid has been increased with the release of aid from the consortium countries. The ratio of direct and indirect taxes has not changed significantly while the burden of taxes has increased.

The Annual Development Plan has been allocated a sum of Rs. 29.59 billion as compared to Rs. 26.43 billion in the preceding year. The following table illustrates the position.

ANNUAL DEVELOPMENT PROGRAMME

Year	Size of A.D.P.	External Resources	Dependence on Foreign Aid %
1975-76	14.60	12.13	83.00
1977-78	18.00	8.86	49.22
1978-79	20.18	10.75	53.27
1979-80	21.91	13.61	62.11
1980-81	26.53	10.98	41.54
1981-82	29.59	14.20	48.00

HIGHLIGHTS OF FEDERAL BUDGET

- Most balanced budget for years, oriented toward development and investment and also providing incentives.
- Emphasis on energy and agriculture
- Economy cut in expenditure on administration.
- Streamlining of tax administration.
- Continuous growth of exports.
- Relief provided to fixed income groups.
- No increase in prices of petrol, diesel and kerosene oil.
- Prices of wheat and sugar rationalised.
- Duties reduced on many raw materials.
- Sales tax rate reduced from 20 per cent to 12% per cent.
- Rates of custom duties rationalised.
- Rate of gift tax reduced to half.
- Small businessmen given income tax relief.
- Professional writers and poets given income tax concessions.
- Minimum increase in the monthly emoluments of lowest grade salaried group in larger towns will be Rs. 70. Appropriate income given to higher grades.
- Carpet and leather goods industry

supported and given cash compensatory relief of 12% per cent on exports.

- Self-assessment scheme to be applicable to all tax payers.
- Rs. 3,662 million allocated for community, social and economic services against the previous year's allocation of Rs. 2,935 million, showing an increase of 25 per cent.
- More funds being allocated for national defence. Showing an increase of 242 crore rupees.
- Provincial share in federal taxes increased from 722 crore to 898 crore rupees.
- Surcharge on super tax reduced by five per cent.
- Tax relief for new houses constructed between 1st July 1981 and 30th June 1983.
- Wheat, sugar and cement prices rationalised.
- Tyres and tubes of motorcycle, rickshaw, scooter produced in the country exempted from excise duty and sales tax.
- For mineral development, tax holiday provided for five years and a half holiday for subsequent five years.
- Machinery for marble industry and gemstone corporations exempted from import duty.

It was a good sign that dependence on foreign aid was considerably reduced in some years but this was not due to any voluntary efforts. It was a time when aid was refused from every side and Pakistan's possibility of defaulting on debt repayment was being discussed in some circles. It was also a time when Pakistan had to borrow on the Eurodollar market not on the strength of the nation's goodwill but against specific collateral of rice crop at the current commercial interest rates.

While it is admitted that when Foreign aid is forthcoming in a such massive scale why should we not utilize it for accelerating the tempo of the deve-

lopment activity. By its should be noted that foreign aid distorts domestic savings pattern. People get used to higher consumption level and they would not be prepared to save even when the foreign aid is tapered off. This the experience of the development countries. We already had a better experience of this phenomenon in the recent past. Moreover, the debt service burden is likely to increase from \$ 896 million in 1980 to \$ 1000 million in 1981.

DIRECT & INDIRECT TAXES

It will be seen that the total tax revenue has shown an increase of 169.54 per cent up from Rs. 15.50 billion in

1976-77 to Rs. 37.13 billion in 1980-81. The budget of 1981-82 places this figure at Rs. 41.78 billion.

The statistic relationship between the direct and indirect taxes at 17/83 reflects accentuation of income between the rich and the poor. All the forms of indirect taxation whether on commodities or through inflationary finance, in the final analysis involves exploitative transfer of resources from the poor to the rich. One expects that the Government should have initiative the process to reverse this imbalance. But it appears that the Government is planning more and more reliance on indirect taxes.

It will be seen from that the ratio of direct taxes to indirect taxes was 16% in 1970-71 and remained pegged and this figure in 1976-77 moved upward to 17%, in 1979-80 and now it is at 19.22%. This shows that the relationship of the direct taxes to the regressive indirect taxes has not made any significant change. Nevertheless, the revenue from income tax would yield a sum of Rs. 7.78 billion reflecting a rise 8.9% over the preceding year. This is quite commendable. The increase in the last five years worked out to 212.44%. But it must be admitted that direct taxes on the whole have a very

low coverage and yield in Pakistan appropriating hardly a little more than 3% of the GDP. The total number of tax payers has considerably increased from 350,000 in 1976-77 to 844,645 in 1980-81.

TAX GDP RATIO

Year	G.D.P. Billion	Tax Revenue	Ratio
1976-77	135.68	15.50	11.42
1977-78	156.56	19.29	12.32
1978-79	177.86	22.99	12.94
1979-80	210.80	30.33	14.40
1980-81	252.00	37.13	14.73
Cumula- tive inc- rease	86.86%	139.54 %	

It will be seen that GDP increased from Rs. 135.68 billion in 1976-77 to an estimated figure of Rs. 252.00 billion in 1980-81 showing an increase of 86.86%, while tax receipts increased from Rs. 15.50 billion in 1976-77 to Rs. 37.13 billion in 1980-81, showing a rise of 139.54%. Thus tax receipts increased faster than GDP. Moreover, the tax GDP ratio which was 11.42% in 1976-77 increased to 14.73% in 1980-81.

Direct and Indirect Taxes

(Rs. in million)

Year	Tax Revenue	Revenue from Indirect Taxes	Revenue from Direct Taxes.	Direct Tax %	Indirect Tax %
1976-77	15.50	13.01	2.49	16	84
1977-78	19.29	16.64	2.63	14	86
1978-79	22.99	19.85	3.34	15	85
1979-80	30.33	25.21	5.12	17	83
1980-81	37.13	29.99	7.14	19	81
1980-81 *	41.78	34.00	7.78	19	81
Cumulative increase	169.54%	437%	212.44%		

* Budget figure

DEFICIT FINANCING

Deficit financing implies government spending in excess of its revenues like taxes, public loans, earnings of state enterprises etc. The central bank thus issues paper currency in lieu of various government securities held by it. The net result is an increase in the supply of money leading to an increase in price level. Deficit financing in developing countries like Pakistan is common. But if deficit financing is restored indiscriminately, it is likely to block the entire growth of the economy. It is rather difficult to measure deficit financing. However, if actual gap in the budgetary statements is to be taken as the deficit financing, the position would emerge as follows:-

Budgetary Gap & GDP

Year	Gap	GDP	Gap GDP Ratio
1977-78	3860	75,656	2.46
1978-79	7056	17,788	3.97
1979-80	3808	21,060	1.80
1980-81	4366	25,200	1.73

It has been admitted by the finance chiefs that deficit financing is the most horrible form of taxation. Yet deficit financing of the order of Rs. 5444 million would be done during the year 1981-82. It is good to see that the share of deficit financing has been gradually declining. As ratio of GDP it was 3.97% in 1978-79 then gradually declined to 1.73% during 1980-81. The deficit financing is likely to exceed the figure as it has been the experience in the past. For instance deficit financing was envisaged at Rs. 3500 million in 1980-81 but actually it came to Rs. 4366 million about 25% more than the limit fixed. Deficit financing in the last four years worked out to about Rs. 4750 million on an average per annum. Thus the budgetary gap this year would be much higher than the average of the last four years. The deficit financing will thus add to the money supply and push the prices appreciably.

Text book rules of economic management are simple. If inflation is the worry, restrict the government spending and limit the monetary expansion and credit, prices would come down. If unemployment is causing concern pour out money, relax credit and economy would soon rise. These simple rules cannot be applied in the modern complex economic system. In our case if prices are allowed to rise unchecked, there is danger of political unrest. If restrictive policies are allowed to reduce the rate at which prices rise then we face a social discontent on the issue of unemployment.

Under the circumstances we will have to apply unorthodox methods like the pumping out black money from the economy which would check smuggling and unethical trade practices and adopting austerity and simple life in every sphere of our national activity. Economy should not be applied only in the use of energy but it should be our way of life. There will have to be a ruthless cut in non-development expenditure and luxury imports. Both production and productivity will have to be accelerated by framing suitable policies in this direction.

CEMENT

The official price of cement has been increased from Rs. 45.00 to Rs. 50 per bag or Rs. 1,000 per tonne. The increase of five rupees per bag would yield a revenue of some thing around Rs. 350 million on an estimated production of 3.50 million tonnes and if the production goes upto 4.50 million tonnes the net revenue yield from the above increase in cement prices would be Rs. 480 million. Cement was available at Rs. 151 per ton in March 1972. Then suddenly it dawned upon the Government it could become a good source of revenue as shown below.

**INCREASE IN AVERAGE WHOLE-
SALE PRICE OF CEMENT**

(In rupees)

Period	Price Per ton.	Prior Price Per ton.	Increase %
March,72	151	—	—
January,73	162	11	7.9
October,73	168	6	3.7
February,74	200	32	10.0
July,74	220	20	10.0
March,75	260	40	18.1
March,76	320	80	23.0
June,77	440	120	37.5
July,78	600	180	33.3
July,79	900	300	50.0
July,80	903	3	0.33
June,81	1003	100	11.0

The cumulative increase worked out to 562% or average 70% increase annually. The excise revenue from cement was as follows:—

**EXCISE COLLECTION FROM
CEMENT**

Year	(Rs.in million)
1974-75	114.00
1975-76	150.00
1976-77	150.00
1977-78	436.20
1978-79	812.50
1979-80	1626.00
1980-81	1764.00
1981-82 *	2016.00

* Budget estimates

Excise duty on cement was only Rs. 107 per ton effective June 5, 1976. Duty increased sharply. The increase of Rs. 120 per ton in the price of cement announced in the Budget of 1978-79 was merged with rate of excise duty through an ordinance with effect from June 11, 1977. This was done to pool the additional receipts into the Federal Consolidated Fund. However, with a view to giving some relief to the state owned units a reduction of Rs. 27.35 per ton in the duty on cement was allowed retrospectively with effect from June 11, 1977. The effective rate of duty today is Rs. 507 per ton on ordinary grey portland cement while Rs. 567 per ton on all other cement. The Government is the largest consumer of cement about 50 per cent of the cement production is consumed in Government projects and works programmes. Thus various government agencies would now pay higher prices for cement and thus the revenue raised from one source would be drained out from some other public sector channels.

Another point which needs consideration is the argument of the Finance Minister that the cost of project has gone sky high and the cost is now about Rs. 700 million. It may be stated that cement plants which are now being set up have already been planned. These plants would become operational in 1983-84. A number of plants are in the private sector and they are not likely to benefit from the increase in the price of cement until they are fully in production.

ANNUAL DEVELOPMENT PROGRAMME

(Rupees in Million)

Particulars	1981-82		1980-81		1980-81	
	Rupees	%	Rupees	%	Rupees	%
<u>Major Development Heads:</u>						
Autonomous Bodies	9,773	33	9,848	37	9,795	37
Departmental	10,255	35	8,167	31	8,124	31
Contribution to Provinces	5,900	20	4,936	19	4,890	18
Fertiliser Subsidy	2,000	7	2,448	9	2,423	9
Indus Basin/Tarbieta	1,380	4	1,007	3	1,007	4
AJK Government	286	1	225	1	225	1
	29,594	100	26,431	100	26,464	100
<u>Sources of Financing:</u>						
External	14,208	48	10,982	42	10,970	41
Internal	5,114	21	11,083	42	8,558	33
Resource gap	9,274	31	4,366	16	6,936	26
	29,594	100	26,431	100	26,464	100

R = Revised, BE = Budget Estimate

CSO: 4220/304

NEW IMPORT POLICY FOR 1981-1982 ANNOUNCED

Karachi ECONOMIC REVIEW in English Jul 81 pp 15, 12

[Text]

The new import policy for fiscal year 1981-82, announced, reflects several changes aimed at gearing the economy to higher production and exports, improve availability and stabilise prices. Announcing the import policy, Izharul H q, Secretary, Ministry of Commerce expressed the hope that an expanded policy with liberal features will help the industrialists businessmen, and exporters to fulfill the needs of the consumers & boost exports.

Import of nearly 40 new items of raw material and capital goods has been allowed. These items include various types of industrial machinery, tools and workshop equipment, agricultural machinery such as tobacco transplanter and intercultivator, mini-computers, micro-processors and data entry machines, special types of centrifugal pumps, asbestos (raw), coloured, white, slag, super-sulphate cement, mineral substances, chemicals, new kinds of starches and glues/sizing materials, sulphurised and polymerised oils and composite solvents.

This measure will increase the availability of raw materials and capital goods, and help in raising the level of industrial production and exports. It should also encourage industrialists to develop new product lines and innovations.

In order to enable the smaller industrial consumers, who cannot themselves effect the import of necessary raw materials, it has been decided to shift 31 items

from part 'B' to part 'A' of the free list. These include fibre glass, synthetic rubber synthetic fibre iron and steel scrap for remelting and re-rolling, iron or steel tin plates and tinned sheets, aluminium, copper and zinc manufactures.

This measure is in line with the consistent government policy to minimise administrative controls.

Cement, power tillers, stoving acrylic paint, aircraft finishes, and wooden sleepers for railways, presently on part 'C' i.e. exclusively importable by the public sector, have been shifted to part 'A' while tractors of standardised makes have been shifted to part 'B'. Tractors for which the assembly/manufacture stands sanctioned will be importable in CKD condition only by recognised assemblers/manufacturers, while other tractors of standardised makes will be importable in CBU condition. Similar import of new tractors in CKD or CBU as the case may be, will also be allowed under personal baggage and gift schemes. In addition, old tractor (but not more than two years old) of all standardised makes will be importable in CBU condition under personal baggage/gift scheme.

As imports of edible oil, pesticides and newsprint are not exclusively tied to the public sector, these items have been also deleted from part 'C'. Edible oil will, however, continue to be imported by the TCF for meeting requirements of Ghee

Corporation of Pakistan. The above measure reaffirms the policy of the government to afford greater opportunity to the private sector to play more active role in the national economy.

To solve problems encountered by industrial units in procuring from tied sources, certain items of machinery, tools workshop equipment and some other items, 36 items currently on the tied list will be importable against cash licensing provided these items of machinery, tools and workshop equipment are not locally manufactured.

In view of rising international prices, the machinery ceiling on the import of machinery under BMR has been increased from Rs. 2.5 million to Rs. 5.00 million. However, in many instances this facility has been misused by installation of the imported machinery for expansion or setting up new units. It has been accordingly decided that in case of the misuse of the facility, the importer shall pay double the amount of customs duty and sales tax ordinarily leviable from which he has obtained exemption by importing the machinery under BMR.

15 additional items will be added to list of machinery importable duty free by the following export oriented industries:-

- 1) Footwear industry;
- 2) Surgical industry;
- 3) Sports goods industry.

19 items of consumer goods which are subject to ceiling on the value of licensing, will be now importable without any value restriction, these items include ball-point pen, dry battery cell, laboratory earthen and porcelain ware, safety helmets, ginger, glucose and homeopathic medicines.

Remaining 20 items of consumer goods presently subject to monetary ceiling will be licensed at the rate of 115 per cent of value licensed during 1980-81.

Caustic soda of B.P/A.R. quality in packing upto 2.5 kg has been made importable for laboratory use.

Plastic eraser has been made importable as an item of stationery as it is a cheaper substitute for rubber eraser.

Additional machinery and safety equipment items for mining industry has been made importable.

Additional scientific instruments, apparatus and appliances for laboratory use for quality control have been made importable.

Suitable changes in the existing description of relevant items have been made to prevent the circumvention of exclusive ban imposed on the import of brass water fittings.

At present the importers of penicillin have to purchase 50 per cent of their requirements from the Daud Khal Penicillin Factory. In view of increase in local production the ratio of compulsory local purchase to imports has been changed to 80:20.

Existing procedure regarding registration of importers has been simplified by substituting words "Income Tax Assessment Order and of the Demand Notice" occurring in para 14(2)(i) of import policy with the words "Income Tax Assessment Order or demand notice.

Izharul Haq said during 9 months ended March this year, import totalled Rs. 3,877 crore - up 27 per cent from the like period of last year. The principal imports included oil and oil products Rs. 1,195 crore, machinery Rs. 572 crore, fertilizer Rs. 340 crore, steel and other metals Rs. 317 crore, chemicals Rs. 266 crore, edible oil Rs. 207 crore, fibre and synthetic yarn Rs. 161 crore, cars, buses, trucks, motorcycles and scooters Rs. 158 crore, and pharmaceuticals and raw materials for pharmaceutical industry Rs. 130 crore.

It shows, a very large portion of imports either consisted of raw material and machinery meant to enlarge production, or essential items which are either not produced in the country, or the supply is much less than the demand.

He said 59 per cent of the imports were of raw materials, 27 per cent capital goods, and only 14 per cent consumer goods. The consumer goods imports in 1979-80 were 16 per cent and in 1978-79 these were 21.6 per cent.

The proportion of consumer goods which was already very small, is declining further from year to year. An analysis of imports shows, essential items like wheat, oil products, tea, pharmaceuticals, powdered milk, second-hand clothing, sugar, and books and journals accounted for Rs. 435 crore of all consumer goods imports.

The remaining items it means all of imports together formed only three per cent of the consumer goods. In view of this, there is very little possibility of a further reduction in the import of this category.

Reviewing the performance of the foreign trade sector, the commerce secretary said, Pakistani exports rose from Rs. 1,129 crore in 1976-77 to Rs. 2,341 crore in 1979-80, and to Rs. 2,870 crore in 1980-81, which is 23 per cent higher than the last year. In view of the encouraging picture of exports in 1980-81, the export target for 1981-82 has been set at Rs. 3,170 crore which is equivalent to dollar 3,200 million.

CSO: 4220/304

ECONOMIC SURVEY FOR 1980-1981 RELEASED

Karachi ECONOMIC REVIEW in English Jul 81 pp 9-12

[Text]

The Pakistan Economic Survey for 1980-81, the first pre-budget document was released to the Press, summing up the state of the economy. The 200 page survey has been prepared by the Economic Adviser's Wing of the Finance Ministry.

The following is an official summary of the survey:-

For the fourth year in succession, the economy has attained significant gains in both physical and financial terms, output and productivity have continued to increase at a creditable pace. The Budget and balance of payments deficits have been contained to reasonable levels and private sector confidence and interest has begun to revive. The progress portrays a marked reversal from the trends in the years before 1977 and is all the more encouraging for having been accomplished in an adverse global environment.

The gains achieved so far are no doubt a cause for satisfaction but should not detract from the considerable efforts that are to be undertaken without respite.

Pakistan is among the low income developing countries which must strive relentlessly for years and decades to attain basic goals of banishing poverty, illiteracy and malnutrition and to acquire simultaneously the skills and technology which will make it truly self-reliant and secure the capability for self-sustained growth within the foreseeable future.

Gross Domestic Product (GDP) has maintained a fairly high growth rate during 1977-81. With a 5.7 per cent increase estimated for 1980-81, the average Annual Growth Rate stands as high as 6.2 per cent during the four years 1977-81, exhibiting a marked acceleration over the 3.7 per cent growth during 1970-77. In parallel, Gross National Product (GNP) recorded an increase of 5.5 per cent during 1980-81 and has averaged an annual growth of 7.8 per cent during 1977-81. Given the 3 per cent population growth, this indicates a 3.9 per cent increase per annum in per capita income in contrast to the 1.2 per cent increase in the preceding seven years.

The substantial improvement in domestic production reflects broad-based recovery which is particularly satisfactory in containing a better blend between growth in production of goods and that of services. The commodity producing sector of agriculture, industry and mining recorded an increase of 6.0 per cent in 1980-81 and its average annual growth of 5.5 per cent during 1977-81 is significantly higher than the growth of 2.0 per cent recorded during 1970-77. The growth in the commodity producing sector has outpaced that in the services sector for the 2 consecutive years of 1979-81. With the improved domestic commodity production the per capita commodity valued added has increased

by 3.8 per cent per annum during 1977-81, compared with about one per cent per annum decline during 1970-77.

The rate of advance in the services sector slackened to 5.4 per cent in 1980-81 from 6.2 per cent last year. However, a higher growth of infrastructure facility components of the sector i.e. transport, storage and communication, electricity and gas distribution and construction services with respective growths of 6.7 per cent, 10.6 per cent and 5.8 per cent point to better availability of services directly affecting public welfare.

Despite a declining secular trend, the share of agriculture in GNP stands at 29.36 per cent in 1980-81, which qualifies it as the largest single sector of the economy. Its growth estimated at 4.4 per cent during 1980-81, though lower than 6.9 per cent registered during 1979-80, has an average annual growth rate of 4.2 per cent for 1977-80.

Among the sub-sectors of agriculture, major crops recorded the highest growth of 4.9 per cent during 1980-81 followed by minor crops with a 3.6 per cent growth.

Their respective growth rates for the last year were higher at 9.3 per cent and 4.0 per cent.

The government has continued to pursue from policies and programmes to promote a sustained increase in farm productivity and incomes.

Its agricultural development strategy largely hinged on price support reinforced by streamlining the market system, ensuring adequate and timely availability of essential agricultural inputs and implementing programmes to safeguard quality of land and agricultural infrastructure.

Though the Government has initiated the process of gradual withdrawal of subsidy on inputs in order to make correction in market distortions, inputs like fertilizers, installation of tubewells, pesticides, etc., were still heavily subsidised.

Agriculture

During 1980-81 the support procurement prices of principal crops such as wheat, rice (paddy), cotton (phutti) and sugar-cane were raised upward well before

the sowing. Water availability at farm gate rose by 7.7 per cent to 94.14 MAF in 1979-80 over 1978-79 and is estimated at 96.43 MAF during 1980-81. The number of tubewells installed during 1979-80 is 8,783 as against 8,642 installed in 1978-79. Another 8,820 tubewells are estimated to be installed during 1980-81.

The offtake of fertilizer estimated at 860 thousand N. tonnes during the first three quarters of the year. The quantity of improved seeds is estimated to have increased by 23.4 per cent to 52 thousand tonnes in 1979-80 and by 26.9 per cent to 66 thousand tonnes in 1980-81. The Government has allowed liberal import of tractors. About 19 thousand tractors were imported during 1979-80 and 14,302 tractors have been imported during the first ten months of 1980-81. Credit advanced by the four traditional financial sources like commercial banks Agricultural Development Bank, Cooperative Societies and Taccavi is estimated at Rs. 4,686.0 million during 1980-81 which shows an increase of 55.7 per cent over Rs. 3,008.97 million advanced during 1979-80.

The rising tendency in the use of many essential inputs reflects the positive response to Government's policies to encourage investment in agriculture. This has undoubtedly pushed up the production contours in the sector. Besides, favourable weather has helped in the case of certain crops. The wheat crop touched a new peak production. Though final estimates will not be known for a while, evidence points to the output being at least as high as the target of 11.34 million tonnes for 1980-81 which shows an increase of 5.0 per cent over the last year. The sugarcane crop increased by 16.9 per cent to set an all-time record at 32.16 million tonnes which exceeds by 6.9 per cent, the earlier record production of 30.08 million tonnes attained in 1977-78. Maize production has risen by 2.9 per cent to 8.9 million tonnes in 1980-81. The cotton crop of 1980-81 estimated at 4.1 million bales, more or less retained last year's bumper level. Rice crop however, is estimated at 3.08 million tonnes

HIGHLIGHTS OF ECONOMIC SURVEY

- Rural areas registered 2.7 per cent population growth rate and urban areas 4.8 per cent.
- At national level population grew by three per cent.
- Energy supply position increased by 13.6 per cent.
- Gas and oil continue to be the leading source of energy, meeting 78 per cent of the country's needs.
- The present year saw 11.6 per cent increase in the total fixed investment.
- Investment in public sector grew by 10.7 per cent and private sector by 13.6 per cent.
- The monetary expansion was restricted to 11.2 per cent as compared to 14.7 per cent of last year.
- Deficit financing amounted to Rs. 3587 million, down from Rs. 3860 million on the last year.
- The federal non-development revenue expenditure declined from 14.7 in 1979-80 to 8.4 per cent in 1980-1981.
- Merchandise exports rose by 20 per cent.
- Home remittances increased from dollar 1700 million of last year to dollar 2100 million this year.
- Significant stride was made in Islamizing the economic system.
- The profit and loss sharing (PLS) deposit account balance reached Rs. 2,182 million by the end of April, 1981.
- Alongside the achievement in economic sector, social sector made satisfactory accomplishments.
- Health and educational facilities have been expanded.
- Economy attained significant gains in both physical and financial terms
- Gross National Product (GNP) recorded an increase of 5.5 per cent with an average growth rate of seven per cent.
- The commodity producing sector increased by six per cent.
- The rate of advance in the services sector slackened to 5.4 per cent in 1980-81 from 6.2 per cent of last year.
- The consumer price index rose from 8.8 per cent of last year to 12 per cent this year.
- The wholesale price index registered an increase of 10.5 per cent in the first three quarters of 1980-81 compared to 7 per cent of last year.
- Prices rose mainly because of international inflation.
- Total imports constituted 20.1 per cent of the Gross Domestic Product (GDP).
- The GDP increased by 5.7 per cent.
- Agricultural sector and industrial sector grew by 4.4 per cent and 9.2 per cent respectively.
- The share of agriculture in the GNP stands at 29.36 per cent—the largest single sector of economy.
- Major crops recorded high growth of 4.9 per cent this year.
- The large scale industry grew at the rate of 10 per cent.
- Small scale manufacturing industry recorded an increase of 7.3 per cent
- The per capita income at the current factor cost rose by 15.9 per cent.
- The country's population has been estimated at 82.49 million on Jan 1 last.
- Of the total population, 23.68 million are in urban and 58.81 million in the rural areas.

or 4.4 per cent lower than 1979-80, mainly due to a decline in Irri-6 cultivation in Punjab.

The manufacturing sector, the second largest commodity producing sector of the economy recorded an impre-

ssive growth rate of 9.2 per cent during 1980-81 with a component break-up of 10.0 per cent for large-scale and 7.3 per cent for small-scale manufacturing. The respective growth rates for 1979-80 were 9.5 per cent, 10.4 per cent and 7.3 per

cent, the year 1980-81 witnessed continued production gains in all the principal industries except cotton cloth in the mill sector, including the revival of the sugar industry, which had remained languid during the preceding two years. During the first three quarters of the current year, compared with the corresponding period of last year the production gains were estimated at 47.1 per cent for sugar, 50.6 per cent for nitrogenous fertilizer, 10.0 per cent for phosphatic fertilizer, 21.9 per cent for bicycles, 28.3 per cent for soda ash, 18.6 per cent for jute goods, 15.9 per cent for M.S. Products, 11.5 per cent for vegetable ghee, 18.6 per cent for cigarettes, 6.9 per cent for cigarettes, 6.9 per cent for cement and 2.0 per cent for cotton yarn. Both the improvement in the utilisation of the existing capacity and additions in it have contributed to the increase in the production of various industries. In the case of sugar, the additional factor production was the revival in which had helped to spur its the sugarcane production during the year. The production of cotton cloth in mill sector although increased last year recorded a decline of 10.1 per cent during 1980-81. However, this merely reflects the transfer of production from the large-small-scale sector. On the basis of disposal of yarn it would appear that in the aggregate production of cloth will have increased by five per cent.

State Industrial enterprises which had achieved, striking gains in output and profits in the previous fiscal year continued to improve but at a modest rate. During 1980-81 as compared to last year, the value of products (at constant prices of 1972-73) is estimated to have risen by 1.9 per cent sales by 14.2 per cent and pretax profit by 2.9 per cent. Taxes and duties paid/payable to Government at Rs. 3,515.1 million were also slightly up as compared to 1979-80. The aggregate performance of the units would have been much better but for a sudden slack in the demand for transport vehicles and its effect on the operations of the Pakistan Automobile Corporation. Significant development during the current year was the commissioning in April 1981 of the Pakistan Steel Mills' first battery of coke

oven and by-product. The first blast furnace is scheduled to be fired in August 1981, while steel making plant would become operational during 1982. The cumulative expenditure on the mills upto April 1981 amounted to Rupees 15,396.1 million.

Impetus to investment

The Government policy to encourage the private sector continued to provide impetus to investment. The investment sanctions that is total fixed cost of the projects which have been approved by Investment Promotion Bureau (IPB) or for which loans have been sanctioned by Pakistan Industrial Credit and Investment Corporation (PICIC) and Industrial Development Bank of Pakistan (IDBP) which had slumped to Rs. 1,345 billion in 1976-77 rose to Rs. 4,650 billion in 1977-78, Rs. 6,524 billion in 1978-79, Rs. 8,065 billion in 1979-80 and Rs. 8,524 billion in the first nine months of 1980-81. Midway through the Fifth Plan period (1978-83), the total cost of the projects sanctioned in the private sector has amounted to Rs. 23 billion or 67 per cent of the provision of 34.6 billion for the private sector in the industrial investment schedule.

The upswing in investment activities and capital market continued during 1980-81. The total fixed investment has increased by 11.6 per cent — public sector investment by 10.7 per cent and private sector investment by 13.6 per cent. The distinctive feature of improved investment trend is the 27.1 per cent rise in private industrial investment, likewise the share market recorded positive gains.

Oil import bill

In view of the continued escalation in the oil import bill and its consequent pressure on the balance of payments and continuously rising domestic demand for energy, the Government continued to exercise vigilance on use of energy and undertook vigorous efforts for exploring and developing indigenous energy sources. The production gains recorded during the first three quarters of the year over the comparable period of last year as 16.0

per cent in natural gas, 4.8 per cent in coal, 15.7 per cent in electricity and 5.0 per cent in liquified petroleum gas (LPG). Encouraging progress has also been made in developing non-traditional energy sources like Bio-gas.

A 210 MW Guddu Thermal Power Station and two units of 40 MW each at Warsak have been completed and commissioned, by end June, units 7 and 8 of 100 MW each at Mangla, and units five and six of 25 MW each at Kotri are scheduled for commissioning. In order to improve efficiency the power distribution function of WAPDA has been decentralized. Electricity connections have been provided by WAPDA to an additional 100 thousand new consumers during the first three quarters of the year and to 522 villages, thus raising the number of electrified villages to 10,050 by March 1981.

Inflation

The price situation gave cause for concern as inflationary pressures became more assertive during the current fiscal year. The pace of price advance at both the wholesale and retail levels accelerated. While several factors combined to contribute towards the persistently rising tendency in prices, by far the single most important factor was the steep climb in the prices of many import items. The import unit value index rose by 39.9 per cent during July-March 1980-81 over the same period last year. With imports constituting 20.1 per cent of GDP, the effect of the advance in their prices is reflected prominently in the domestic price structure. Regulated and support prices of agricultural commodities and some other items have undergone upward adjustment during the year. This revision had become all the more necessary in order to cushion cost escalation in certain sectors like agriculture and to offset market distortions which were a nagging source of inefficiency and hindrance in optimal resource mix.

Nevertheless, efforts have been made to check the rising tendency in prices without jeopardizing production incentives or encouraging consumption rather than savings. The enhanced domes-

tic production level has helped partly to absorb the pressure of inflationary forces. Adequate import of essential consumer items, raw material and machinery for essential industries and transport sector was made to ensure adequate supply in the market. Credit and monetary policies were also geared to the achievement of the goal of higher-growth with price stability. Monetary expansion was contained to 11.2 per cent (Rs. 10,130 million) during 27th June-28th March, 1980-81 compared to 14.7 per cent (Rs. 11,243 million) during 29th June-27th March, 1979-80. Deficit financing has been brought down to Rs. 3,587 million in July-March, 1980-81 from Rs. 3,860 million during the corresponding period last year. Further in order to check undue expansion in demand which, when unmatched with a corresponding increase in supply, generally spills over into inflation, the growth in Federal non-development revenue expenditure has been pruned down from 24.9 per cent in 1978-79 to 14.7 per cent in 1979-80 and further to 8.4 per cent in 1980-81.

The year 1980-81 witnessed some significant changes in the factors effecting balance of payments. There was a sharp deterioration in the terms of trade, coupled with deepening recession in and protectionism by our major trading partners. Despite all these adverse factors the balance of payments position remained quite comfortable. It was, therefore, possible to relax many of the import restrictions imposed in October, 1979 and to further liberalize raw material and capital goods imports. Several factors contributed to the easing of the balance of payments constraints, first, the current year started with a substantially higher level of foreign exchange reserves than the preceding year, and hence the acute strains encountered in 1979-80 were absent. Second both export earnings and home remittances maintained rising tendency and are estimated to have surpassed the targets for the year. Third, extended fund facility arranged with the IMF brought access to substantial external credit

and, alongwith partial debt rescheduling more than compensated for decline in regular aid inflows. As a consequence, the current account deficit in the balance of payments is expected to remain at the last year's level and a fairly sizable accretion of the order of dollars 250 million is estimated in foreign exchange reserves.

Both sides of the trade ledger have witnessed increases. The merchandise exports which had virtually stagnated around the one billion dollar mark from 1973-74 to 1976-77 have rise in each successive year and are estimated at \$ 2,800 million for 1980-81, reflecting an increase of about 20 per cent over the preceding year. Much of the improvement is due to the remarkable performance of cotton. In value terms and quantitatively the raw cotton exports not only set a new record but considerably exceeded the Fifth Plan targets. The earnings are anticipated to cross the \$ 500 million mark which is almost double the Fifth Plan target of \$ 275 million set for 1982-83. Higher earnings from rice also contributed towards this expansion. Although export of major manufactures did not fare well, this was offset by sharp increase elsewhere, especially in synthetic textiles, textile made-ups and miscellaneous items.

Commodity imports were originally projected at \$ 5,091 million for 1980-81 which were subsequently revised upwards to \$ 5,628 million due to escalation in prices of energy and other manufactures, and liberalisation of imports of raw material and capital goods. The import of POL alone is estimated at \$ 1,585 million during 1980-81 which is 56.6 per cent of the total export earnings and 28.2 per cent of the import bill envisaged for the year. Its import experienced a sharp acceleration in its continuously increasing tendency and amounted to \$ 1,155.4 million during the first three quarters of the current year as compared to \$ 1,079.3 million in the whole of 1979-80 and \$ 530.0 million a year earlier. Bulk of the remaining increase

during the year was accounted for by private sector imports as a consequence of the relaxation of the administrative restraints that were imposed in 1979-80 following serious depletion of foreign exchange reserves.

Home remittances maintained a buoyant trend and, as in the last year, were responsible for bridging a large chunk of the trade gap. Retaining the upswing since the oil boom in the Middle East, remittances amounting to \$ 1.7 billion in 1979-80 are expected to exceed \$ 2.1 billion in 1980-81. Thus, despite the sizable increase in the merchandise trade gap, the current account deficit was contained to \$ 1,198.8 million in 1980-81 compared to \$ 1,148.9 million last year.

The Capital account was characterised by insignificant changes in the pattern of foreign exchange inflows. In the main, an Extended Fund Facility contracted in November 1980 resulted in substantial drawings from the IMF which substituted for declines in regular aid flows and the extraordinary borrowings in the previous fiscal year from Saudi Arabia and other Islamic countries. On balance, the improvements more than offset the declines as such the foreign exchange reserves of the country are expected to rise substantially during 1980-81.

In parallel with the achievements in economic fields, the social sectors made satisfactory accomplishments. Both the educational institutions and student enrolment have substantially increased. From 56,920 primary schools with 6.57 million enrolment in 1979-80 the number rose to 58,398 and 6.59 million respectively in 1980-81. The number and enrolment of Secondary Vocational Institutions rose from 248 and 35,000 respectively in 1979-80 to 251 and 37,000 respectively in 1980-81. There were 15 Universities with an enrolment of 57,019 in 1979-80 which rose to 20 and 62,048 respectively in 1980-81.

'REVIEW' COMMENTS ON BUDGET

Karachi ECONOMIC REVIEW in English Jul 81 pp 7-8

[Editorial: "More Than a Routine Budget"]

[Text]

The Rs. 86.5 billion federal budget for fiscal year 1982, providing 55.5 per cent for current expenditure and 44.5 per cent for Annual Development Program records an overall resource gap of Rs. 9.2 billion. Through withdrawal of subsidy on wheat, streamlining of tax administration and a cut in development and non-development expenditure, the gap has been reduced but still it is as high as Rs. 5.4 billion which is planned to be met through deficit financing or largely from bank borrowings. In absolute terms the deficit financing proposed is quite sizeable, approximately 2 per cent of the GDP. At the moment we receive almost \$ 2.5 billion annually in home remittances from overseas Pakistanis the net impact of which is highly inflationary. The big chunk of deficit financing coupled with large inflow of home remittances is likely to accelerate the rate of inflation much higher than 13 per cent conceded by the Finance Minister for the previous fiscal year. Reduction in subsidy on wheat and increase in the prices of essential commodities handled and controlled by the government such as wheat flour, sugar and cement, increase in telephone, telex and postal rates etc. should definitely push up the general price level at a much higher level than anticipated. The effect on the current general level of prices is already visible in the period subsequent to the announcement of the budget and the administrative measures to control the prices have almost failed despite severe punishments

awarded to shop keepers. The normal market mechanism is to a large extent crumbling and the bureaucrats are trying to take refuge in the mushroom and sporadic 'Jooma Bazar's' which are being officially encouraged in all sizeable urban areas.

No administration would have taken this big risk of generating an accelerated inflation rate but the Finance Minister has taken the risk largely to accommodate the recommendations of the World Bank without, however, totally upsetting the existing economic situation. This boldness distinguishes the FY 1982 budget from most of its predecessors.

The Finance Minister has proposed some sophisticated budgetary measures mainly to create an attractive investment climate especially since large aid funds are expected during the year. Investment incentives provided in the budget include reduction of surcharge on the corporate tax by 5 per cent, increase in the initial tax relief on depreciation from 25 per cent to 40 per cent, reduction of the standard rate of sales tax from 20 to 12.5 per cent, full tax holiday for Pakistani companies engaged in the exploitation of minerals for first 5 years and 50 per cent of the normal rate for the next 5 years. Import duties have been rationalised, and enhanced on items which are being produced locally to give them a larger measure of protection. To promote the leather industry import duty of 85 per cent on wet blue goat and sheep leather has been withdrawn, domestically produced tyres and tubes have been exempted from both the central excise and sales tax. Custom duty has been exempted on tractors imported in CKD form, rates of duty have been rationalised on spare parts for tractors, sales tax has been completely withdrawn and custom duty reduced from 40% to 20% on bulldozers, angle dozers and levellers.

These incentives are liberal but have been spread out so thinly over such a vast field that their total impact in improving the investment climate is almost negligible. It did not provide any incentive for the corporate sector, especially the stock market which is sparking off in anger, showing largely minus signs on its score board since the announcement of the budget. The higher interest rates available on various savings schemes of the government and handsome

rates of fixed deposits with provision for tax exemption and relief are directly discouraging corporate sector which because of various other factors such as the welfare oriented labour policy, higher corporate tax rates, and prices of inputs inclusive of power and transport cannot match up their profits with the interests available on investments in savings schemes and fixed deposits.

The most distinguishing feature of the budget which has made it more than an ordinary budget is the attempt it has made in simplifying the procedure involved in tax collection. It has converted the existing composite rates into specific rates and has reduced the number of ad valorem rates from 42 to 16 only, staying within the existing range of duties from 10 per cent to 350 per cent. It is hoped that the simplification and rationalisation procedure which has been initiated now will be carried on further to reduce anomalies and help in limiting the discretion of the customs personnel which results in bribery and corruption.

Yet another feature of the budget which makes it more than a routine budget is a big jump in the allocation of funds for manpower training. However, the amount of Rs. 66.6 million is quite meagre in view of colossal requirement of skilled manpower at present. We can substantially increase foreign exchange earning through manpower export provided a vast network of training institutions are set up throughout the country. Home remittances contribute 9.48% to the country's GNP and in view of this fact there should be an allocation equal to 4% of GNP for manpower training in our budgets.

The behaviour of the stock market subsequent to the announcement of the budget suggests that the budget has not been able to provide adequate incentives to build up a favourable investment climate. Some of the other factors keeping the investment climate depressed include the administrative policies which run contrary to the interests of the investors such as the proposed changes in the country's company law, delay in announcement of a labour policy, and a complete lack of comprehension of the future political and constitutional structure. We believe that investment climate cannot be improved with sporadic

measures since an investor has to take into consideration the whole spectrum before committing himself and his money to any project which take time in taking off the ground. We suggest some interim budgetary measures such as completely abolishing the surcharge on corporate companies, exempting dividend income to the extent of twenty five thousand rupees, and provision of investment allowance as a direct deduction from income tax as prevailed prior to FY 1980 budget are some of the measures that may bring in some life in the stock market and make investment climate somewhat more attractive than it is today.

CSO: 4220/304

END

**END OF
FICHE**

DATE FILMED

6 Oct 198